



Digitizing Orphan Works: Legal Strategies to Reduce Risks for Open Access to Copyrighted Orphan Works

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Digitizing Orphan Works: Legal Strategies to Reduce Risks for Open Access to Copyrighted Orphan Works

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Preface

An orphan work has two properties: It is under copyright, and diligent effort cannot identify the copyright holder. The second property creates frustrating problems, because many important uses of copyrighted works require permission of the copyright holder. Orphan works exist in a legal limbo in which we might have to forgo socially beneficial uses of the work – not because the rightsholder opposes them, but because we cannot find the right person to ask.

If orphan works were less valuable than non-orphan works, then these problems would be less troublesome. However, orphan status befalls works of all kinds, without regard to their quality or value. The publisher may have gone of business or lost its records in a fire. Its records may be intact, but they may not answer the narrow copyright question that would let us track down the relevant rightsholder. The copyright might have passed from the original rightsholder to heirs who cannot be identified or located, even with the help of a genealogist or private eye.

This is a large, worldwide problem. In a 2009 study, the Joint Information Systems Committee (JISC) estimated that 503 UK institutions could hold in excess of 50 million orphan works.ⁱ

Here in the U.S., a 2005 study by Denise Troll Covey reported that Carnegie Mellon University was unable to find “the publishers of most of the books published between 1920 and 1930 and of almost half of the books published between 1940 and 1950. Publishers of more than a third of the books published from 1950 to 1960 and 1960 to 1970 could not be found.”ⁱⁱ

In his 2011 study John P. Wilkin concluded:

The body of orphan works – works whose rights holders we cannot locate – is likely to be extremely large, and perhaps the largest body of materials. If the guesses made here are right, 50% of the volumes [still in copyright] will be orphan works. This 50% is comprised as follows: 12.6% will come from the years 1923-1963, 13.6% from 1964-1977, and 23.8% from 1978 and years that follow.... *Indeed, if this speculation is right, our incomplete collection today includes more 2.5 million orphan works, of which more than 800,000 are US orphans.* (Emphasis added.)ⁱⁱⁱ

Again, if the term of copyright were short, for example 14 years and renewable once, as it was at the time the Constitution was ratified, then the orphan-works problem would also be less troublesome. Orphans

ⁱ JISC, *In From The Cold: An Assessment Of The Scope Of 'Orphan Works' And Its Impact On Delivery To The Public* 18 (2009), available at <http://www.jisc.ac.uk/media/documents/publications/infromthecoldv1.pdf>

ⁱⁱ Denise Troll Covey, “Acquiring Copyright Permission to Digitize and Provide Open Access to Books” 19 (2005), available at <http://www.clir.org/pubs/reports/pub134/pub134col.pdf>

ⁱⁱⁱ John P. Wilkin, “Bibliographic Indeterminacy and the Scale of Problems and Opportunities of “Rights” in Digital Collection Building, Ruminations,” Feb. 2011, available at <http://www.clir.org/pubs/ruminations/01wilkin/wilkin.html/wilkin.pdf>.

would be in legal limbo for a comparatively short time. But as the term of copyright has steadily grown longer, the problem has steady grown more severe. Orphans may remain in legal limbo for longer than the lifetimes of students, teachers, artists, and scholars who want to make use of them.

This is a problem worth solving. As long as it remains unsolved, a significant fraction of our culture will be hidden or suppressed. The problem is not that we can't put our hands on the works themselves. Most are sitting on library shelves, just as, conversely, most works sitting on library shelves may be orphans. The problem is that we are not legally allowed to make them more accessible and usable, even when the rightsholders would welcome us to do so.

For many orphan works, there would be little to no economic harm to any person or organization in opening access; by contrast, there would be a great loss in the failure to provide access. If an orphan work is out of print, then we cannot legally reprint it. If it's in print, we cannot legally translate it, make it into a movie, print 3-D models of the characters, adapt it into a Broadway musical, sample its music in a modern composition, assign it in an online class, or use it in a host of other ways that we cannot foresee until its wider availability frees users to open our eyes to the possibilities.

Solving this problem would serve research, art, culture, and education. It would “promote the Progress of Science and useful Arts”^{iv} – the very purpose of copyright spelled out in Article I, Section 8, Clause 8 of the U.S. Constitution. Solving this problem would serve copyright law itself by advancing its essential goals.

However, copyright law is also the obstacle to solving this problem. It's copyright law that requires us to seek permission from rightsholders for uses that exceed fair use. It's copyright law that has dropped the registration requirement which once facilitated the search for rightsholders. It's copyright law that has dramatically extended the duration of rights, and thereby raised the odds that records identifying rightsholders will be lost or uncertain before the rights expire.

One solution is to amend copyright law. There have been many legislative approaches in many countries, including many in the U.S. In the U.S. no such amendments have been adopted to date.^v

Another solution is to determine that some important uses of orphan works count as fair use, and therefore do not need the permission of copyright holders. This path is promising, even if it will only work for some uses and not others. Because the fair-use option has already been well studied, we focus here on a little-explored third option: Fair use was a judge-made exception to the US copyright statute, now enshrined in the statute itself. What are the prospects for other judge-made exceptions that would solve all or part of the orphan-works problem?

In April 2015, we issued a request for proposals:

^{iv} U.S. Const. art. I, § 8, cl. 8

^v See below, p. 3, “Introduction and Summary”

from scholars interested in writing a comprehensive literature review on the question whether there are lawful or low-risk strategies to digitize orphan works for open access under US copyright law, with special attention to methods that do not depend on fair use....

The literature review will identify legal arguments and strategies for reducing or eliminating legal risk from projects to digitize orphan works for OA under US law. It will identify arguments that have been used in court, strategies that have been used in practice, and arguments and strategies proposed in the literature, giving special attention to those that do not depend on fair use. (The project does not assume that fair-use arguments are unpromising, merely that they have already been well-studied.) It will review relevant statutes, regulations, case law, and legal literature to evaluate the adequacy of those arguments and strategies. The study should also look at legal strategies adopted in other countries insofar as they suggest strategies that might work in the US. It should identify institutions inside and outside the US that have already digitized orphan works for OA, what strategies they used, and what legal consequences they faced for doing so. Whether or not the study uncovers no-risk methods to digitize orphan works for OA, it should identify methods to reduce legal risk. It should conclude with recommendations on methods or strategies, if any, that would be no-risk or low-risk under US law....

In addition to looking for strategies to reduce the risk of litigation or damages, it should look for arguments for judge-made exceptions to the statute, based on the equities and special circumstances of orphan works, or based on analogies to other branches of law raising like questions.

We also encourage the author to identify promising arguments or strategies that have not already been tried or proposed.^{vi}

We awarded the contract to David Hansen, Clinical Assistant Professor and Faculty Research Librarian at the University of North Carolina School of Law. Hansen is no stranger to the orphan works problem. He was one of primary facilitators for a project to create the *Statement of Best Practices in Fair Use of Collections Containing Orphan Works for Libraries, Archives, and Other Memory Institutions*,^{vii} released in December 2014, and a co-author on other scholarly articles such as *Solving the Orphan Works Problem for the United States*.^{viii}

^{vi} Harvard University Office for Scholarly Communication, “RFP: Orphan Works Project,”

<https://osc.hul.harvard.edu/programs/orphan-works/request-for-proposal>

^{vii} Aufderheide et al., “Statement of Best Practices in Fair Use of Collections Containing Orphan Works for Libraries, Archives, and Other Memory Institutions” (2014), available at <http://www.cmsimpact.org/sites/default/files/documents/orphanworks-dec14.pdf>.

^{viii} David R. Hansen et al., “Solving The Orphan Works Problem For The United States,” 37 Colum. J.L. & Arts 1 (2013).

To peer-review the report before publication, we recruited a panel of experts with recognized knowledge in the field. Their feedback to the author and editors has improved the final edition. The panelists were:

Prof. Robert Darnton, Harvard University
Mr. Peter Hirtle, Harvard University
Prof. John Palfrey, Phillips Academy, Andover
Prof. Pamela Samuelson, University of California, Berkeley
Ms. Nancy Simms, University of Minnesota

If we consider this report Phase 1 of our project to unlock orphan works, Phase 2 is to take the results and apply them to real-world digitization projects. Some digitization projects are proceeding with open access under the protection of fair use. If other projects are hesitating, and looking for stronger or supplementary protection, then we encourage them to study the alternative theories documented in this report. Our hope is that this work is not merely academic, but will help liberate the orphaned literature, art, and music of our culture, chunk by chunk.

For future updates on this project, see the Orphan Works Project home page.

<https://osc.hul.harvard.edu/programs/orphan-works/>

For real-time alerts to news and comment on the topic of open access to orphan works, follow the “oa.orphans” tag at the Open Access Tracking Project. (This feed is crowd-sourced, and you can make it more complete by taking part in the OATP.)

<http://tagteam.harvard.edu/hubs/oatp/tag/oa.orphans>

We thank the Arcadia Fund and Sarah Thomas for her support for this project from the beginning. We also thank the entire staff of the Office for Scholarly Communication for its endless efforts, which included reading drafts, building websites, haranguing expert commentators, and posting the work in DASH, our open-access repository.

Finally, we thank David Hansen for his enthusiasm for the project, tireless patience with continual edits and commentary, and for his masterful writing and research, which no doubt, could change the face of the orphan works problem here in the United States.

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Digitizing Orphan Works

Legal Strategies to Reduce Risks for Open Access to Copyrighted Orphan Works

by David R. Hansen

In the United States, the vast majority of 20th century creative expression—everything from books and movies to letters, emails, and notes—is protected by a copyright system that grants owners significant legal power to prevent use of their creations without permission. For a large number of works, however, users cannot locate or even identify owners to seek permission. These “orphan works” have, for nearly two decades, confounded librarians and archivists who want to provide free, online, open access to their collections. Digitizers often shy away from orphan works because of the perceived risk of legal action should an owner of one of these works later appear and sue. As the Copyright Office has observed, “the risk of liability for copyright infringement, however remote, is enough to prompt them not the make use of [an orphan] work.”

No provision of U.S. law speaks directly to orphan works. There are, however, many legal defenses and risk management strategies that libraries and archives can use to provide open access to orphan works. A handful of those defenses and strategies, such as fair use, are currently used in practice. This report shines a light on the large number of other, under-explored legal defenses and risk management strategies available to libraries and archives.

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This report benefited tremendously from the input of many librarians, archivists, and lawyers from cultural heritage institutions around the United States. I'm especially grateful to those individuals who participated in interviews for this report, whose names are listed in Appendix C.

Over the last several years, several of the major advances in thinking about orphan works issues trace back to work done by the UC Berkeley Digital Library Copyright Project, a project funded by the Alfred P. Sloan Foundation in coordination with a grant to help launch the Digital Public Library of America. I was privileged to be part of that project for a few years and to work with its principal investigators, Pamela Samuelson, Jennifer Urban, and Jason Schultz. Those three deserve special thanks. U.S. Register of Copyrights Maria Pallante and her staff at the U.S. Copyright Office should also be thanked for playing a major role in promoting research on orphan works.

Thanks also to Kyle K. Courtney and Peter Suber of the Harvard Office for Scholarly Communications, who have offered expert editorial guidance, and to the Peer Review Panel for their thoughtful comments and suggestions.

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INTRODUCTION AND SUMMARY

In September 2015, Judge King of the U.S. District Court for the Central District of California ruled on one of the most closely-watched copyright cases of the year: *Marya v. Warner Chappell Music Inc.*, a case about the ownership of the song “Happy Birthday to You”.¹ The tune, one of the most popular of all time, was published in 1893 and the lyrics are thought to have been added sometime soon thereafter. For years, “Happy Birthday” has been subject to questions about its copyright status (shouldn’t something that old be in the public domain by now?) and ownership (the creators of the music are undisputed, but questions about the creation and transfer of rights in the lyrics muddy the picture of who currently owns rights).²

“Happy Birthday” generates over \$2 million in royalties every year, has been sung in over 143 movies, and appears in innumerable advertisements.³ With such commercial value on the line, surely someone along the way would have paid enough attention to clearly document its ownership. But, when Judge King meticulously reviewed the song’s history in over 40 pages of judicial opinion,⁴ his conclusion was anticlimactic. There were thousands of pages of discovery, over 100 pages of briefing and facts on a motion for summary judgment, and countless hours of independent academic research,⁵ but the bottom line was uncertainty. Judge King couldn’t say who owned the rights to the song or, for that matter, whether the song was still protected at all.⁶ In other words, “Happy Birthday” is, for the time being, an orphan work.

Judge King’s conclusion in the “Happy Birthday” case is as unsatisfying as it is characteristic of what we are able to say about the ownership of many copyrighted works. Users of copyrighted works frequently face questions about public domain status, ownership, and the risk of using those works in the face of uncertain answers to these questions. For nearly two decades, librarians and archivists in particular have struggled with how to make their collections containing orphan works (works whose owners cannot be located or identified for permission) available on an open access

¹ For an extended account of the song’s history, see Robert Brauneis, *Copyright and the World’s Most Popular Song*, 56 J. COPYRIGHT SOC’Y 335 (2009), <https://perma.cc/F49P-HZBU>.

² See *Marya v. Warner Chappell Music Inc.*, Case No. 13-CV-04460, Opinion and Order, 131 F. Supp. 3d 975 (C.D. Cal. Sept. 22, 2015), <https://perma.cc/H6L3-625E>.

³ See *id.*

⁴ *Id.*

⁵ Brauneis, *supra* note 1.

⁶ *Marya*, 131 F. Supp. 3d 975. In February 2016, the parties filed a proposed class action settlement agreement stating that the defendant’s would not object to the plaintiff’s request that the court declare “Happy Birthday” to be in the public domain. The court has granted preliminary approval to the settlement agreement. *Marya*, Revised Class Action Settlement Agreement, Dkt #312, at 20 (C.D. Cal. Mar. 3, 2016), <https://perma.cc/3N83-W82F>; *Marya*, Order Granting Motion for Preliminary Approval of Class Action Settlement, Dkt #316 (C.D. Cal. Mar. 7, 2016), <https://perma.cc/ASL5-6JLG>.

basis, for free online. Most works receive only a fraction of the attention devoted to “Happy Birthday,” yet questions about copyright ownership are often just as, if not more, difficult to answer. The problem is especially bad for the large number of unpublished works held by archives and in special collections. Most of these works are also far less likely to generate a legitimate dispute, much less protracted litigation. Yet many libraries and archives treat them as if they might.

Orphan works make up a large part of library and archive collections—some estimates numbering them in the millions for some large archival collections—but only a fraction are currently available online. Risk and uncertainty are two of the main reasons why. Librarians, archivists, and others want to digitize orphan works and make them available for free online, but often don’t because of risks associated with legal action and, specifically, copyright infringement actions. If the rightsholder of a work that the digitizer thought was orphaned were to later come forward with a copyright infringement claim, the result could be devastating. Just defending against an infringement claim can be expensive; losing a lawsuit can be ruinous. With statutory damage awards (pre-set damage awards of up to \$150,000 per work infringed),⁷ large-scale digitization projects using thousands of copyrighted works risk exposure to astronomical monetary damage judgments, not to mention the significant lost funds spent digitizing and hosting works only to have that infrastructure dismantled.

No nonprofit library or archives has ever actually incurred such a large damage award or similar negative outcome for the use of orphan works, but uncertainty about the risks continues to cripple digitizers who might otherwise make orphan works available. Nearly a decade ago, the U.S. Copyright Office articulated the basic problem: for many users, “the risk of liability for copyright infringement, however remote, is enough to prompt them not to make use of [an orphan] work.”⁸

This report is about the large number of legal strategies U.S. digitizers can use to manage the copyright-related risks of providing open access to orphan works⁹—that is, global, online access to orphan works that is free of charge (“gratis open access”) and with no additional restrictions on use imposed beyond those that already exist.¹⁰ This report is intended to help digitizers move beyond risk “however remote.” It instead gives an understanding of the many available legal and practical

⁷ 17 U.S.C. § 504(c) (2015), <https://perma.cc/BK8Y-TAU6>.

⁸ U.S. COPYRIGHT OFFICE, REPORT ON ORPHAN WORKS 36 (2006), <https://perma.cc/BM6X-WPD9> (hereinafter, 2006 ORPHAN WORKS REPORT).

⁹ This report uses the term “open access” to mean global online access provided free of charge (“gratis” open access) and with or without open licenses permitting forms of reuse beyond those already allowed by the law (“libre” open access, to the extent possible). See PETER SUBER, OPEN ACCESS 1–29 (2012), <https://perma.cc/G5AF-JNND> (reviewing several open access definitions and offering his own distillation: “Open access (OA) literature is digital, online, free of charge, and free of most copyright and licensing restrictions”).

¹⁰ “Libre open access.” Because orphan works are by definition protected by copyright held by someone who is not available to grant permission, orphan works’ digitizers (who do not hold rights and therefore cannot release them) are typically unable to further remove permissions barriers.

strategies to thoughtfully and carefully manage the risks posed by using orphan works. While factual uncertainty about these works, as with “Happy Birthday,” may be irresolvable, digitizers need not remain so uncertain about the range of legal strategies available.

There is no provision of U.S. law that directly addresses orphan works. There is, however, a growing body of research that addresses how existing law can be adapted to apply to orphan works uses. Some aspects of existing law, such as applying the doctrine of fair use to orphan works, are well studied and are already used by some libraries and archives. Others, such as the application of defenses that are based on principles of equity and fairness, or shields from damages awards, deserve more discussion. So far, no one has threaded these existing-law solutions together into a comprehensive legal strategy for using orphan works under existing law. This report does that, with a special emphasis on those legal doctrines that have so far received minimal attention, focusing first on legal defenses—justifications based in the law that allow or excuse a digitizer’s use of orphan works—and secondarily on risk management strategies, which include minimizing the likelihood of a dispute in the first place and minimizing negative outcomes in the event of a dispute over orphan work. The report concludes that there are a number of viable legal tools under existing law that can help digitizers significantly reduce and manage risk associated with making these works available.¹¹

The remainder of this Section gives a summary of the four main parts of this report: (1) strategies currently used by libraries and archives, (2) strategies to maximize legal defenses, (3) strategies to minimize risk by reducing the likelihood of a dispute in the first place, and (4) strategies to minimize risk by reducing the likelihood of adverse outcomes in the event of a dispute. That summary is followed by a short note on the scope and goals of the report.

SUMMARY— CURRENT PRACTICES

To get a sense of how legal defenses and risk management strategies might apply in practice, it’s helpful to start off with a brief overview of how libraries and archives are currently using orphan works. Despite widely shared concerns about risk, libraries and archives have already provided open access to many orphan works, and have done so with few negative consequences. As Appendix E at the end of this report highlights, there are lots of examples of digital collections containing orphan works. For several, the digitizer has acknowledged that the collections contain orphans, and for many, the digitizer has been clear about its reliance on fair use as a justification for its use. Almost all of those examples are of orphan works found in digitized special collections, which are likely to be unregistered works and therefore pose lower risks. Even though there are increasing numbers of public examples of orphan works in digitized collections, there are no public reports of rightsholders coming forward and aggressively challenging these uses. In fact, libraries and archives are seldom the subject of any type of copyright-related lawsuit.

¹¹ For a more thorough introduction to the origins of the orphan works problem and attempts to legislatively address it, *see infra* Appendix A.

In terms of legal defenses for orphan works, libraries and archives currently rely on the copyright doctrine of fair use and related best practices, such as the *Statement of Best Practices in Fair Use of Collections Containing Orphan Works for Libraries, Archives, and Other Memory Organizations*, to help apply fair use in practice. Beyond fair use, however, digitizers of orphan works have not publicly identified many other legal strategies or defenses that they use in practice. A handful of libraries and archives have indicated that they rely in part on the statutory protections provided in Section 108 of the Copyright Act (limitations on copyright for libraries and archives), but have not addressed how they use Section 108 for orphan works in any detail.

In addition to fair use, managing risk is a major component of libraries' and archives' current orphan works strategies. Two strategies predominate. The first is to conduct some limited searches for rightsholders before making a use, to minimize the possibility that an unknown but concerned rightsholder will later emerge and initiate a dispute. Several digitizers have explained that it is often neither practical nor desirable in many cases to separate out orphans from the rest of their collections for individualized searches for rightsholders. Digitizers do, however, conduct searches for owners of individual works in some circumstances, and several libraries and archives have reported on their search efforts with varying degrees of success. How and when those searches are conducted tend to depend on the effort involved, the perceived likelihood of finding an owner, and the significance of the work used.

The second way digitizers manage risk is by implementing takedown policies and statements that accompany their collections, often modeled on the familiar notice-and-takedown system that exists for service providers in the Copyright Act. Those statements often acknowledge the library or archives inability to identify all owners of works in a given collection and asking for owners and others to share more information. Policies vary in how they are applied. Some organizations have described a practice of taking down a work immediately upon request while the ownership claim is investigated. Others have taken a more flexible stance, stating that their policies are intended to initiate a conversation about the work and the library's use of it, and that decisions about when to take down a work are made on a case-by-case basis. Either way, the existence of a takedown policy can be helpful in deescalating disputes and avoiding further risk.

SUMMARY – LEGAL DEFENSES FOR USE OF ORPHAN WORKS

Maximizing legal defenses for orphan works uses is a core part of any library's or archive's open access orphan works strategy. These defenses provide legal justifications for use, and they lower risk by underpinning efforts to avoid disputes in the first place, dissuading potential litigants from pursuing claims by convincing them that they have no legal basis. In some cases they can also, even when not completely successful, help minimize negative outcomes from a dispute. Because of their central importance, more has been written about legal defenses for orphan works' uses than probably any other aspect of a legal strategy reviewed in this report.

Fair use is undoubtedly the most important and the most relied upon justification for use of orphan works in practice, and has already been addressed in depth in other places. This report focuses on the other potential defenses that might apply and offers some ideas about which ones might be most applicable to open access orphan works uses. This section reviews seven types of

defenses, beginning with those which are most immediately usable in practice, to those that would require more significant developments in the law.

The first two defenses are the most promising: Section 108 library and archives exceptions to copyright, and equitable defenses (primarily laches). Neither has been applied directly to orphan works uses, but both are firmly established in the law and are immediately usable as orphan works defenses. Section 108, particularly Section 108(e), which allows libraries and archives to create full-text replacement copies of certain types of works and Section 108(h), which allows libraries to reproduce and distribute published works in their last 20 years of protection, offer some of the most promising but unexplored avenues for libraries and archives to provide open access to orphan works.

Section 108(e), which applies to both published and unpublished works, allows a library to reproduce and distribute a single copy of a work “made from the collection of a library or archives where the user makes his or her request or from that of another library or archives.” To trigger this exception, the library or archives must, among other things, first determine on the basis of a “reasonable investigation” that a copy of the work cannot be obtained at a “fair price.” Neither “reasonable investigation” nor “fair price” are defined in the statute or elsewhere in the law, but in several instances these requirements seem easy to satisfy. For example, for works for which the library or archives is known to hold the only extant copy (e.g., some unique unpublished works, such as personal correspondence) the investigation would likely require no additional search because there is no other copy available to be purchased.

Section 108(h) is the second provision that can be used to justify orphan works’ uses. Created as a way to ameliorate the effect of the 1998 Sonny Bono Copyright Term Extension Act, Section 108(h) provides that “during the last 20 years of any term of copyright of a published work, a library or archives, including a nonprofit educational institution that functions as such, may reproduce, distribute, display, or perform in facsimile or digital form a copy or phonorecord of such work, or portions thereof, for purposes of preservation, scholarship, or research.” Two significant limitations are that 108(h) only applies to published works, and that it only applies to works in the final 20 years of their copyright term. Given these limitations, the most immediate application of Section 108(h) is to works published between 1923 and 1941, many of which may be in the public domain anyway.

The most significant potential limitation on both 108(e) and 108(h) is that Section 108(g) generally permits creation of a single copy of a given work, and provides that nothing in Section 108 permits systematic copying. Those provisions make application to online dissemination a challenge because the provision of a digital copy may require creation of temporary copies of the work to facilitate digital transmission. There are a few ways to address this limitation. One is to create the initial digital copy pursuant to some other limitation or exception—fair use, or another of the Section 108 exceptions. Second, it’s unclear from the statutory text whether 108(h) is subject either in whole or in part to the limitation on systematic copying at all, so 108(h) uses may have more flexibility than others.

The second of the more promising defenses for open access uses of orphan works is laches—an equitable doctrine used to limit actions by plaintiffs who have “slept on their rights,” failing to take action to enforce their rights to the detriment of the defendant. To assert laches, a defendant must show two things: 1) unreasonable delay, and 2) prejudice to itself. Laches is perhaps the most well understood of the equitable doctrines discussed in this report because the Supreme Court recently addressed how laches applies to copyrights in *Petrella v. Metro-Goldwyn-Mayer, Inc.* The Court in that case limited the application of laches in copyright cases; it held that laches cannot be invoked to bar legal relief. But, the Court also pointed out several ways that laches may still be invoked to curtail relief equitably available, such as the grant of court orders to destroy copies, and that considerations about unreasonable delay should play into how courts assess damages.

Applying the two elements of laches to an open access orphan work’s use, a key issue is determining whether there was a delay from when the plaintiff knew or should have known about the use. Notifying rightsholders who are identifiable likely requires some form of mass media. Merely publicizing an orphan works project for a period of time may do enough to inform those rightsholders. The more public the notice and the longer it is publicized, the better. Other options include sending targeted communications to groups that the digitizer might suspect have contact with rightsholders. Another interesting option for informing owners is to file a notice with the Copyright Office, which is permitted under Copyright Office rules for some works and has the benefit that “recording of a document in the Copyright Office gives all persons constructive notice of the facts stated in the recorded document.” While recording can pose a logistical and monetary hurdle, it may be worth the time and effort depending on the importance of the collection to the digitizer.

Beyond Section 108 defenses and laches, there are three other potential defenses that hold some promise but are somewhat underdeveloped: implied license; copyright misuse; and tort-law, “fault-based” defenses. Those three defenses hold some promise but are based on law that is not as yet well developed. Further study and probably some test cases are needed to understand how these defenses would apply to broad, open access use of orphan works.

The remaining defenses discussed in this section of the report, abandonment or “waiver” of rights and adverse possession (something akin to squatters rights), pose significant challenges for application to orphan works. Both have been discussed at length in orphan works literature, which is why they are addressed in this report, but neither seems immediately useful for digitizers.

SUMMARY – REDUCING RISK BY MINIMIZING THE LIKELIHOOD OF A DISPUTE

Moving beyond legal defenses and justifications, there are a number of practical steps that libraries and archives can take to reduce risk by minimizing the likelihood of a dispute in the first place. Two of the most important strategies are ones already used in practice: conducting limited searches for rights holders, and implementing a notice-and-takedown policy. This section reviews four other strategies to reduce risk. The first two are immediately useable in practice: 1) obtaining permissions through “quitclaim” grants, and 2) obtaining permissions through broader agreements. The other two strategies, (3) pursuing class action claims, and (4) challenging standing of litigants, are

more involved and only useful for large, well-financed projects that are willing to take on other types of risks.

Quitclaim grants of rights are among the most promising ideas to reduce risk by obtaining permissions from individuals and publishers associated with a particular work, even if it is impossible to confirm that person or organization's ownership of rights. There are a variety of reasons why ownership is sometimes unclear—private contracts, missing assignments, divided ownership—and they can all raise orphan works challenges. To address these situations, some digitizers have pursued more loose grants of rights in the form of a “quitclaim,” which allows, so far as the grantor is concerned, the grantee organization to provide online access and make other uses of the work. Such a grant does not require the grantor to warrant that it owns any rights, but merely acknowledge that, to the extent the grantor does own any rights, they are relinquished for uses specified in the agreement. The idea behind this strategy, that it is usually less risky to get permission from someone for some uses than to get no permission at all, is based on strengthening a digitizer's claim to challenge ownership of someone who has initiated a dispute, and to bolster equitable defenses and fair use defenses by demonstrating a good faith pursuit of permission from the only likely rightsholders who were available at the time of use.

A second strategy to reduce the likelihood of disputes is to pursue permissions on a larger scale. For example, one option for broad permissions might follow the pattern set out in the EU-developed *Memorandum of Understanding (MoU) on Key Principles on the Digitization and Making Available Out of Commerce Works*. That document, shepherded by the European Commission and the result of an extensive stakeholder dialogue, brought together key parties to develop a framework on developing agreements between rightsholder groups and library and archives digitizers who want to provide open access, noncommercial uses of out of commerce works. In the United States, digitizers might follow the EU MoU model to collectively develop a broad consensus document with major national rightsholder groups.

Initiating a class action lawsuit for the purposes of obtaining a binding settlement agreement is another way to clear rights on a mass scale. Such a strategy is highly aggressive (it certainly isn't minimizing the likelihood of a dispute, but walking into one, albeit on one's own terms) and costly. If anything, this is a strategy that is unlikely to be used except by well-resourced digitizers who seek broad agreements covering large numbers of works. Only one digitizer, Google, has tried it, with mixed results. Because of the significance of that effort, I review that effort in this Report and outline some of the substantial challenges to this approach. Overall, this approach is unlikely to be useful for most libraries and archives.

Finally, challenging the standing of disputants to sue can also be a worthwhile strategy to cut off their ability to litigate. One of the risks faced by an orphan works digitizer may not come from suits by orphan works rightsholders themselves but from other parties who claim to represent the interests of orphan works owners. Among other limitations on suit, Section 501(b) of the Copyright Act provides that only “the legal or beneficial owner of an exclusive right under a copyright” is entitled to bring suit. For open access orphan works projects that may be threatened with litigation by an association, particularly mass digitization projects, challenging standing may be an effective way to cut off a potential lawsuit early on, avoiding costly, protracted litigation.

SUMMARY – REDUCING RISK BY MINIMIZING NEGATIVE REMEDIES

Because the risk of infringement liability is one of the driving reasons why some users avoid orphan works, minimizing remedies has remained one of the central themes of orphan works proposals, especially legislative proposals. For open access orphan works uses, digitizers can take a variety of steps under existing law to minimize the likelihood of negative remedies, including minimizing exposure to monetary damages, injunctive relief, attorneys' fees and costs, and criminal penalties.

Monetary damages are the most concerning for digitizers because they include potential statutory damage awards of up to \$150,000 per work infringed. Several factors can influence whether statutory damages, or any monetary damages at all, are available to potential plaintiffs. One of the most significant shields from all monetary relief is sovereign immunity, a doctrine that holds state actors, such as a state university library, immune from monetary judgments. For state institutions, the strength of this shield should be acknowledged and accounted for when assessing the risk of digitizing orphan works. For other digitizers, shields from statutory damages can come in three ways: (1) from using only works that are likely to be unregistered and therefore ineligible for statutory damages under the Copyright Act; (2) by making uses for which the user "believed and had reasonable grounds for believing that his or her use of the copyrighted work was a fair use," which for non-profit libraries and archives triggers a requirement that a court not award statutory damages; and (3) by making uses that qualify one as an "innocent infringer," which would most safely include making uses of works on which copyright notice was not attached.

Libraries may also be shielded from strong injunctive relief, such as orders to permanently delete or destroy digitized works. Injunctions are within the discretion of the court and are not automatic. The Supreme Court has instructed that a plaintiff must show several factors (including that the public interest would not be disserved) before an injunction should be granted. For digitizers, orphan works present a special situation under those factors and should be favored against injunctions, especially when orphan works are incorporated into other works used as an integral part of some socially valuable work.

SUMMARY – CONCLUSION AND PRACTICAL APPLICATION

Each of these strategies considered below can, individually, be valuable for digitizers, and together can serve as a powerful set of defenses and risk management devices. To give just one example of a project that can combine these strategies, a digitizer could use these defenses for a group of works which the digitizer is reasonably confident are orphaned to create a sort of "waiting list" of orphans, publicized widely to enhance equitable and fair sue defenses. A cautious digitizer might also want to invoke Section 108 protections by first making the work available only on an as-requested basis, complying with the "one copy" and "non-systematic reproduction and distribution" requirements of Section 108. Such a project might spend some time trying to obtain quit-claim rights where possible, and working with major rightsholder organizations to inform them of the scope of such a project and by obtaining agreements from them not to sue. It might also try to reduce risk by structuring the project through an organization that has sovereign immunity. It might also first focus on works that it believes are unregistered and therefore not subject to statutory

damages awards, and on works for which no notice was attached, and therefore potentially subject to the innocent infringer defense. This is just one example. Libraries and archives have many legal defenses available to defend their use of orphan works and to reduce risk in making them available on an open access basis.

SCOPE OF THIS REPORT

While there may be no explicit statutory provisions authorizing open access to orphan works, that does not mean that there are no legal protections available to a prospective digitizer. There are relevant legal and equitable defenses, based on both statutory and case law, that can justify the digitization of orphan works for open access. There are also other doctrines, currently less developed with respect to copyright applications, that may be amenable to judicial adaptation in orphan works situations, based on the equities and special circumstances of orphan works. Even for situations in which those defenses do not apply, it may be possible to lower the level of risk to a level that is acceptable to the institution yet still reaches the goal of providing open access to orphan works. This report focuses on both parts of this strategy, first to identify applicable defenses and justifications, and second to identify other potential risk management strategies.

Some caveats are in order. First, this report focuses on existing law applicable in the United States, not on what amendments to the copyright statute would best solve the orphan works problem. The orphan works problem has produced a heated debate about the extent to which new copyright legislation should address questions such as how to determine which works are designated as “orphans,” who makes that determination, and what types of uses of orphans should be allowed. The U.S. Copyright Office has devoted significant time and energy to developing legislative recommendations.¹² Congress has now considered legislative proposals on several occasions, and internationally, a growing number of foreign jurisdictions have adopted orphan works legislation.

While those legislative efforts are important, there are good reasons to further evaluate what can be done now, under existing law, as this report does. For one, it is increasingly unclear whether orphan works legislation will ever be enacted. Beyond the general political gridlock in recent years, there are no orphan works bills pending, and Congress has not seriously considered one for nearly eight years. Further, many key supporters of early orphan works bills have now changed their minds. Groups such as the Library Copyright Alliance, representing the American Library Association, the Association of Research Librarians, and the Association for College and Research Libraries, now argue that legislation is no longer necessary for their members’ uses because other legal developments, primarily in the area of copyright’s fair use doctrine, are sufficient to allow for many uses of orphan works. Major research libraries have spoken out against the legislation as well,¹³ and

¹² See U.S. Copyright Office, *Orphan Works and Mass Digitization*, ORPHAN WORKS, <https://perma.cc/UM5Y-VFCH> (last visited May 17, 2016).

¹³ See *infra* Appendix A.

even those who in principle believe legislation is necessary oppose the specifics of the Copyright Office’s proposal.¹⁴

Even if Congress does coalesce behind legislation, the leading proposal from the Copyright Office is unlikely to allow for large-scale open access to orphan works because of the administrative burdens digitizers would face in complying with search requirements and filing a “notice of use” for each work. The Office itself concluded that its proposal would be inappropriate for large-scale digitization projects.¹⁵ The Office’s alternative proposal for mass digitization—a second piece of legislation for a large-scale “extended collective licensing” system adapted from systems in place in Nordic countries—has received a similarly chilly reception from potential library and archives users, in part because it would only be temporary and because it would only reach a small subset of works (only published works).¹⁶

This report does not focus on new legislation. It does, however, examine existing doctrines that could modestly and logically be extended by the courts to address orphan works’ uses. Examples include extension of the law on implied licenses or application of more general doctrines of equity, such as laches or equitable estoppel. These are discussed in detail below.

Second, this report is focused on legal strategies for open access to orphan works, and not mass digitization more generally. Given the number of orphan works, the difficulty of identifying orphan works from within collections that are candidates for digitization, and the nature of some legislative proposals for addressing mass digitization, the two issues are intertwined.¹⁷ In practice, many digitizers do not make a distinction between orphans and other works because of how difficult it is to separate the two, particularly where legal strategies can adequately cover uses of both types of works. For example, assessing how fair use applies to collections containing orphan works

¹⁴ See *id.*

¹⁵ U.S. COPYRIGHT OFFICE, ORPHAN WORKS AND MASS DIGITIZATION: A REPORT OF THE REGISTER OF COPYRIGHTS 60 (2015), <https://perma.cc/FW8Q-Y38L> (hereinafter 2015 OWMD REPORT) (addressing potential objection that the “notice of use” provision “may place a significant burden on users in some instances, this is true principally with respect to users wishing to use a large number of orphan works related to a single project (e.g., the digitization of a library’s entire special collection). In many cases the mass digitization [licensing system proposed by the Office] would obviate the need for individual notices in such circumstances.”).

¹⁶ See, e.g., Society of American Archivists, Comments on Copyright Office’s Mass Digitization Pilot Program (Sept. 23, 2015), <https://perma.cc/X9PY-HXEP>; American Association of Law Libraries, RE: Mass Digitization Pilot Program; Request for Comments (Sept. 9, 2015), <https://perma.cc/UWP4-SZHZ>; Boston Library Consortium, Re: Mass Digitization Pilot Program: Request for Comments (Oct. 8, 2015), <https://perma.cc/GQ6T-GYJ9>; Stanford University Library, Stanford University Library Comments on Orphan Works & Mass Digitization Report (Oct. 9, 2015), <https://perma.cc/VTS6-284N>; Internet Archive, Re: Docket Number 2015-3, Mass Digitization Pilot Program (Oct. 8, 2015), <https://perma.cc/8GGM-EBPU>.

¹⁷ See JENNIFER URBAN ET AL., REPORT ON ORPHAN WORKS CHALLENGES FOR LIBRARIES, ARCHIVES AND OTHER MEMORY INSTITUTIONS 8 (2013) (hereinafter, REPORT ON ORPHAN WORKS CHALLENGES), <https://perma.cc/79TK-U4LX>. I was a co-author of this report.

can reasonably be done in many cases without making sharp distinctions between orphans (however defined) and other copyrighted works. But, other strategies, such as reliance on some equitable doctrines, are far more applicable to works for which owners cannot be identified or located.

Third, this report focuses on works that are presumably protected by copyright. Many collections hold large numbers of works in the public domain either because of who the author is (e.g., U.S. government works),¹⁸ its content (e.g., purely factual data are not protected),¹⁹ how old it is (e.g., works published prior to 1923),²⁰ or whether the rightsholder complied with formalities applicable at the time (e.g., renewal registration or inclusion of a copyright notice on the work). This report is not about how to make public domain determinations or how to reduce risks associated with those determinations. That said, making a public domain determination is not an exact science and can be fraught with as much uncertainty as making a decision about using an orphan work; it can be complicated and expensive, and often results in inconclusive determinations.²¹ Many works that are actually in the public domain—“Happy Birthday to You,” for example—may be treated as orphan works by digitizers because it is impossible to conclusively determine public domain status.

Fourth, this report focuses on strategies for U.S. digitizers who target access of their collections to U.S. audiences. Online uses of copyrighted works often raise questions about cross-border application of laws from foreign nations, since works hosted in one nation can be accessed in others. While some work has been done on application of cross-border availability of copyrighted works and the interaction with the web of foreign law approaches to orphans and to mass digitization generally,²² assessing how foreign law will apply is beyond the scope of this report. To a very limited extent, this report does address some strategies to minimize risk of suit in foreign jurisdictions where laws may be less favorable to digitizers than they are in the United States.

¹⁸ 17 U.S.C. § 105 (2015), <https://perma.cc/BK8Y-TAU6> (U.S. Government works not protected in the United States). Other examples include edicts of government from local, state, or federal authors. I have briefly addressed elsewhere how state law may effectively place some state government publications into the public domain as well. See Brett Currier, Anne Gilliland & David R. Hansen, *Copyright and the Digitization of State Government Documents: A Preliminary Analysis*, 12 PROC. INT’L CONF. DIGITAL PRESERVATION 59 (2016), <https://perma.cc/HPX6-95BZ>.

¹⁹ 17 U.S.C. § 102(b), <https://perma.cc/BK8Y-TAU6>.

²⁰ 17 U.S.C. §§ 302–305, <https://perma.cc/BK8Y-TAU6>.

²¹ See, e.g., MELISSA LEVINE ET AL. FINDING THE PUBLIC DOMAIN: COPYRIGHT REVIEW MANAGEMENT SYSTEM TOOLKIT (2016), <https://perma.cc/4W47-DFME>; MENESHA A. MANNAPPERUMA, BRIANNA L. SCHOFIELD, ANDREA K. YANKOVSKY, LILA BAILEY & JENNIFER M. URBAN, IS IT IN THE PUBLIC DOMAIN?: HANDBOOK FOR EVALUATING THE COPYRIGHT STATUS OF A WORK CREATED IN THE UNITED STATES BETWEEN JANUARY 1, 1923 AND DECEMBER 31, 1977 (2014), <https://perma.cc/WPQ7-STNN>;

²² See JOHN AXHAM & LUCIE GUIBAULT, CROSS-BORDER EXTENDED COLLECTIVE LICENSING: A SOLUTION TO ONLINE DISSEMINATION OF EUROPE’S CULTURAL HERITAGE? (2011), <https://perma.cc/YNC7-P4KQ> (final report prepared for EuropeanaConnect).

Fifth, this report focuses heavily on legal strategies under existing law that are not heavily used in practice and that have not yet been thoroughly studied. Section 2 of this report reviews current practices for open access to orphan works, and highlights the important role of current uses, the application of fair use, and the role of searches for rightsholders. Those strategies are important risk management tools, but are already relatively well understood and so they receive less attention here.

Sixth, this report focuses solely on risks stemming from copyright law. Providing open access to orphan works raises a host of other negative risks. Orphans, especially in special collections, can raise significant privacy and ethical concerns. Rights of publicity, torts for invasion of privacy or false light,²³ or other less common information access laws can also pose a challenge for digitizing organizations. This report does not address those legal risks.

Finally, this report is just one of the tools that digitizers should use to facilitate broader risk management.²⁴ The idea that orphan works are a problem is premised on the idea that the copyright-related risk of using these works is great enough to dissuade at least some productive uses of these works. Effective risk management, however, requires more than what this report can provide. The purpose of risk management, to protect value by explicitly addressing uncertainty with a systematic, structured, and timely analysis, requires an analysis tailored to each organization's needs. Libraries, archives, and other digitizers using this report should undertake such a self-study.

²³ See, e.g., *Vanginderen v. Cornell Univ.*, Case No. 08CV736 BTM(JMA), Order Granting Defendant's Special Motions to Strike, at 1 (S.D. Cal. Jan. 6, 2009), <https://casetext.com/case/vanginderen-v-cornell-university>, *aff'd*, Case No. 09-55053, 357 F. App'x 146 (9th Cir. 2009), <https://perma.cc/GS79-33ZB> (defamation and false light lawsuit against Cornell University for posting to the library digital repository a copy of a 1983 campus newspaper containing information about plaintiff's criminal history. Cornell prevailed in the suit).

²⁴ Using the term "risk" to mean "the effect of uncertainty on objectives." ISO 31000:2009 - RISK MANAGEMENT: PRINCIPLES AND GUIDELINES (2009).

CURRENT PRACTICES

To give some context for what is working today and how libraries and archives can adapt current practice to use some of the defenses and risk management strategies examined in this document, this Section gives a high level overview of the current state of practice for digitizers who are providing open access to orphan works already. It first summarizes current uses and experiences, and then addresses the three main strategies that libraries and archives currently employ: reliance on (1) fair use and best practices as a defense, (2) conducting searches for rightsholders, and (3) implementing take-down policies in response to complaints from rightsholders and others.

This Section is based on the large number of libraries and archives' public comments made in response to the Copyright Office's 2005 inquiry on orphan works,²⁵ its 2012 inquiry on orphan works and mass digitization,²⁶ its 2015 inquiry on uses of visual works,²⁷ and its 2015 inquiry regarding the development of a mass digitization extended collective licensing system.²⁸ It also draws on published accounts of digitization practices in academic articles,²⁹ issue papers,³⁰ and in independent reports.³¹ In addition, for this report I conducted several in-depth interviews with individuals from nonprofit libraries, archives, and museums, who have experience with their institutions' policies and practices regarding orphan works. Those institutions have a range of experience

²⁵ Library of Cong., Copyright Office, Notice of Inquiry: Orphan Works, 70 Fed. Reg. 3739 (Jan. 26, 2005), <https://perma.cc/2JDK-7265>. Initial comments available at <https://perma.cc/Q7YZ-34G4> and reply comments at <https://perma.cc/D3LZ-RWJ7>.

²⁶ Library of Cong., Copyright Office, Notice of Inquiry: Orphan Works & Mass Digitization, 77 Fed. Reg. 64555 (Oct. 22, 2012), <https://perma.cc/6MHS-FZAH>. Initial comments available at <https://perma.cc/5JAA-XRTX>, reply comments available at <https://perma.cc/7CTB-UD76>, and additional comments available at <https://perma.cc/9ZTY-2GUC>.

²⁷ Library of Cong., Copyright Office, Notice of Inquiry: Copyright Protection for Certain Visual Works, 80 Fed. Reg. 23054 (Apr. 24, 2015), <https://perma.cc/X8VY-ZNF4>. Initial comments available at <https://perma.cc/2Z7A-3JHP> and reply comments available at <https://perma.cc/8F23-SFGZ>.

²⁸ Library of Cong., Copyright Office, Request for Comments: Mass Digitization Pilot Program, 80 Fed. Reg. 32614 (June 9, 2015), <https://perma.cc/SX7H-XGWZ>. Comments available at <https://perma.cc/LZC4-A9LV>.

²⁹ See, e.g., Dharma Akmon, *Only with Your Permission: How Rights Holders Respond (or Don't Respond) to Requests to Display Archival Materials Online*, 10 ARCHIVAL SCI. 45 (2010), <https://perma.cc/FB4T-W92A>; Maggie Dickson, *Due Diligence, Futile Effort: Copyright and the Digitization of the Thomas E. Watson Papers*, 73 AM. ARCHIVIST 626 (2010), <https://perma.cc/QD2X-F3D8>.

³⁰ See, e.g., Kevin L. Smith, *Copyright Risk Management: Principles and Strategies for Large-scale Digitization Projects in Special Collections*, 279 RES. LIBR. ISSUES 17 (June 2012), <https://perma.cc/8LPT-KY3W>.

³¹ URBAN ET AL., *supra* note 17, at 11.

with orphans, from extensive to minimal. Interviewees are listed in Appendix C.³²

CURRENT USES OF ORPHAN WORKS

Many digitizers are already thinking carefully about how to manage the risk of using orphan works when providing open access online. In 2013, for example, a group of prominent U.S. museums³³ explained that “[n]otwithstanding the lack of orphan works legislation, many museums have come to accept a certain degree of legal uncertainty by, for example, posting images of orphan works on their websites and using them for other mission-related purposes, if, after searching in good faith, no rights holder is found.”³⁴ Several other digitizers have reported similar experiences, offering varying levels of detail about their approaches to assessing and managing legal risk and comfort with uses under existing law.³⁵

For example, the Triangle Research Library Network (TRLN), whose members include Duke University Libraries, University of North Carolina at Chapel Hill Libraries, North Carolina Central University Libraries, and North Carolina State University Libraries, has published an “Intellectual Property Rights Strategy for Digitization of Modern Manuscript Collections and Archival Record Groups,” that addresses managing copyright risks.³⁶ Similarly, the UCLA Library has developed a detailed guidance document about how to assess and manage risk in special collection digitization projects, including use of orphans.³⁷ UCLA Library also looks to others’ institutional policies that

³² A full list of interviewees and interview questions is included as an appendix to this report. The methodology in determining which subjects to cover in this “Current Practices” Section and which were deemed worth further examination in the other Sections below was primarily based on what digitizers have conveyed as defenses or risk management tools that they have actually relied upon in the past. So, for example, while libraries and archives regularly use Section 108 for other purposes and some have even discussed in passing its application to orphan works, no library or archive that I have found is currently relying on Section 108 protections to provide open access to orphan works.

³³ The Art Institute of Chicago, the J. Paul Getty Trust, the Los Angeles County Museum of Art, the Metropolitan Museum of Art, the Museum of Modern Art & the Solomon Guggenheim Foundation, Orphan Works and Mass Digitization Response to Notice of Inquiry (Feb. 4, 2013), <https://perma.cc/MCH6-KT2P>.

³⁴ *Id.*

³⁵ See, e.g., New York Public Library, Reply Comments to Orphan Works and Mass Digitization: Notice of Inquiry (Mar. 6, 2013), <https://perma.cc/6Y69-SCBU>; Duke University Libraries, Comments in Response to the Copyright Office’s Notice of Inquiry Concerning Orphan Works and Mass Digitization (Jan. 2013), <https://perma.cc/WTE4-3TAP>; Massachusetts Institute of Technology Libraries, Comments on Federal Register Document 2012-25932 (undated), <https://perma.cc/4ERN-WP2D>.

³⁶ Triangle Research Libraries Network (TRLN), Intellectual Property Rights Strategy for Digitization of Modern Manuscript Collections and Archival Record Groups (June 2011), <https://perma.cc/4JC4-WQSH>.

³⁷ Univ. of Cal. L.A. (UCLA) Library, Special Collections Risk Assessment Guidelines (last visited May 18, 2016), <https://perma.cc/3P88-WXYW>.

address copyright and risk more broadly and also encompass orphan works' uses.³⁸ Other organizations take an even more hands-on approach. Greg Cram, Associate Director of Copyright and Information Policy for the New York Public Library, explains that

Instead of [an overarching written risk management policy], there is an entire unit [at NYPL] . . . , the Copyright and Information Policy Unit . . . devoted to assessing copyright liability risk and providing and implementing general guidelines about that liability. So, no written policy for assessing copyright liability risk overall, but we do have written policies regarding certain classes and certain types of works.

Digitizers also report a keen awareness of non-legal risks of using orphan works, and especially “mission risks” associated with failing to provide open access to their collections.³⁹ Sharon Farb, Associate University Librarian for Collection Management and Scholarly Communication, UCLA Library, explains in an interview for this report:

[I]n general our approach is that we look at content for content's sake So if it's about supporting an instructor who's trying to teach with primary sources, our first thing is to map to what that person and faculty member, in that case, is trying to accomplish. And it's a really secondary part of our analysis about whether or not that thing is under copyright or what other rights issues it might present. So for the UCLA library first and foremost, we're about stewarding all the variety of content and knowledge sources we have and maximizing our ability to use them in support of teaching and research.

Lending weight to the idea that digitizers are becoming more comfortable with managing these risks, examples of open access collections containing orphan works are now plentiful.⁴⁰ Several digitizers, though not all, have explicitly stated their reliance on fair use as justification for their uses. For example, UCLA Library has provided open access to, among others, the Walter Gordon Collection, an AIDS poster collection, and a collection of Los Angeles Latino family photographs, all of which are believed by UCLA librarians to contain orphan works and are made available under a fair use rationale. Duke University Library has also provided open access to orphan works in a number of collections that it states “undoubtedly contain ‘orphan’ works,” and relies in part on the strength of its fair use position (along with a broader risk management strategy) to provide

³⁸ Sharon Farb, Associate University Librarian for Collection Management and Scholarly Communication, UCLA Library, in an interview for this report pointed to policies from the University of California on copyright, ownership, and fair uses; institutional statements on orphan works; and on-the-ground risk management guidance which “in aggregate . . . form the framework of the set of policies and practices that we use at UCLA” for orphan works).

³⁹ See Urban et al., *supra* note 31, at 7.

⁴⁰ The examples discussed in the next several paragraphs are cited fully *infra* Appendix E.

open access to these works.⁴¹ The Library of Congress has provided open access to at least sixteen collections containing orphan works as part of its American Memory Project. For each of these collections, the Library of Congress acknowledges that “[d]espite extensive research, the Library has been unable to identify all possible rights holders in the materials in this collection. Thus, some of the materials provided here online are made available under an assertion of fair use (17 U.S.C. 107).”⁴² Others, such as the New York Public Library, The University of California Santa Cruz Library, and The University of Southern Mississippi Library have created digital collections with clear examples of orphan works.

These examples undoubtedly make up only a subset of existing digital collections containing orphan works. It is beyond the scope of this report to compile a comprehensive list of all existing open access orphan works digital collections, but creating such a list is important to better understand how these works are being used and the risks and challenges associated with providing open access to them. Further research is needed on this issue.

Almost all of those examples are of orphan works found in digitized special collections. I could find no libraries or other digitizers that have made full-text copies of orphan works in core print collections available online on a large scale. The only known project that has studied making those types of orphan works available was the University of Michigan-HathiTrust Orphan Works Project, which had as its focus digitized books held by HathiTrust,⁴³ and digitized from the core collections of academic and research libraries from around the United States. That project had a number of features that made it unique. First, it sought to provide far more limited access than what is generally provided by the examples above. Working through its own internally-developed workflow for orphan works identification, the project ultimately posted a list of 90 orphan works titles for which the Project proposed to provide full-text access to partner institutions who held print copies of those works in their collections.⁴⁴ The purpose of posting the list was so that the community could examine it and identify works that were not orphans (which worked; owners of several works were identified). Second, it never actually provided access to any works. Before HathiTrust ever made orphan works titles available for full-text viewing, in October 2011, the Authors Guild filed suit

⁴¹ Duke University Libraries, *supra* note 35.

⁴² See Brief of Amici Curiae American Library Association, Association Of College And Research Libraries, and Association of Research Libraries in Opposition to Plaintiffs’ Motion For Partial Judgment on the Pleadings at 10, *Authors Guild, Inc. v. Hathitrust*, 902 F. Supp. 2d 445 (S.D.N.Y. Apr. 20, 2012) (No. 11-cv-6351), <https://perma.cc/2LA2-53VT> (listing examples contained in Appendix).

⁴³ Univ. of Mich. Library, *Orphan Works Project*, ORPHAN WORKS, <https://perma.cc/XPQ8-UX63> (last visited May 19, 2016).

⁴⁴ Univ. of Mich. Library, *Documentation*, ORPHAN WORKS, <https://perma.cc/WEJ2-D5PE> (last visited May 19, 2016).

against HathiTrust for its orphan works project and for its other mass digitization uses.⁴⁵ In the wake of that lawsuit and discovery of several flaws in the orphan works identification process, HathiTrust suspended the project. Consequently, both the district and appellate courts concluded that infringement claims regarding the orphan works project were not ripe and that the plaintiffs had no standing to bring them.⁴⁶

Although there are many examples of open access orphan works, there are no reports of major challenges to these uses by rightsholders. The sole exception is the *HathiTrust* litigation, which as stated above, is somewhat exceptional. There are few formal studies on the question of how frequently disputes over orphan works arise, and what evidence is available indicates that disputes are rare. A 2015 survey by Jennifer Urban and Brianna Schofield, for example, asked large research libraries about their experiences with copyright notice and takedown. Though gathering a small sample, those who did respond indicated that they receive few copyright-related takedown requests for library-digitized materials.⁴⁷

As for lawsuits actually filed, libraries and archives are seldom the target of copyright-related legal action, much less copyright infringement lawsuits over use of orphan works. That is remarkable considering that libraries and archives make use of some of the largest collections of copyrighted works in the world. A search of all U.S. federal district court dockets and available state court dockets filed in the last five years (a period when libraries and archives have been increasingly moving collections online)⁴⁸ reveals 1,153 cases filed involving a defendant with a variation of “library” or “archives” in its name.⁴⁹ Only 13 (around 1%) of those suits were designated as copyright infringement lawsuits. As a point of comparison, for the same time period, there were a total of 19,222 federal copyright cases filed against all types of defendants.⁵⁰ For orphan works specifically,

⁴⁵ *Authors Guild, Inc.*, 902 F. Supp. 2d 445, 447 (S.D.N.Y. 2012), <https://casetext.com/case/authors-guild-inc-v-hathitrust>, *aff'd in part, vacated in part*, 755 F.3d 87 (2d Cir. 2014), <https://casetext.com/case/authors-guild-inc-v-hathitrust-1>.

⁴⁶ *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87, 104 (2d Cir. 2014), <https://casetext.com/case/authors-guild-inc-v-hathitrust-1>.

⁴⁷ Brianna L. Schofield & Jennifer M. Urban, *Takedown and Today's Academic Digital Library* (Univ. of Cal. Berkeley, Public Law Research Paper No. 2694731, Nov. 2015) (Nov. 2015), <https://perma.cc/686D-ETF4>.

⁴⁸ For example, a 2009-2010 report of 197 research libraries indicated that 97% had completed one or more digitization projects. JACKIE M. DOOLEY AND KATHERINE LUCE, *TAKING OUR PULSE: THE OCLC RESEARCH SURVEY OF SPECIAL COLLECTIONS AND ARCHIVES* (Oct. 2010), <https://perma.cc/4ZMC-SJF6>.

⁴⁹ Of course, some libraries and archives do not have those terms in their name, and some parties who use those terms would not ordinarily be considered a library or archive. Search conducted on Dec. 15, 2015 using BloombergLaw Litigation & Docket Search. Coverage includes almost all federal cases filed over the five-year time period and scattered coverage of state court filings. See Bloomberg Law, *DOCKETS SEARCH* <https://perma.cc/WS8R-FL5T> (last visited May 19, 2016).

⁵⁰ As of this writing, copyright cases filed December 1, 2010 to December 1, 2015.

the number of cases looks to be similarly small. There are only eight judicial opinions that use the term “orphan works,” though of course courts may discuss the concept without using that term. Only two cases come close to directly addressing questions about use of orphan works, *Authors Guild v. Google Inc.*⁵¹ and *Authors Guild, Inc. v. HathiTrust*.⁵² A search for all filed copyright cases, January 1, 2000 to present (including cases with no judicial resolution), reveals only two other cases that include the term “orphan work” in any of the available case filings. Neither suit was about the use of orphan works.⁵³

All of this is not to say that orphan works uses are risk free, but that for uses made so far, which again, are primarily uses of special collections materials, digitizers have not reported that rightsholders are coming forward and pursuing legal action.

FAIR USE AND BEST PRACTICES

Over the last several years, fair use has emerged as one of the leading tools used by nonprofit digitizers to support providing access to orphan works online. No court has directly addressed how fair use will apply to orphan works, but a growing number of academics,⁵⁴ librarian and archivist membership associations,⁵⁵ and libraries and archives themselves, individually⁵⁶ and collectively⁵⁷

⁵¹ *Authors Guild v. Google, Inc.*, 804 F.3d 202 (2d Cir. 2015), <https://casetext.com/case/guild-v-google-inc-1>.

⁵² *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87, 104 (2d Cir. 2014), <https://casetext.com/case/authors-guild-inc-v-hathitrust-1>.

⁵³ Of course, cases may address orphan works’ uses without using the term. The two additional cases that do use the term are *Kressman-Backmeyer Publ’g, LLC v. Woodhams*, No. 13-cv-00364 (W.D.N.C. June 13, 2013) and *Between the Lines Prods., L.L.C. v. Lions Gate Entm’t Corp. et al*, No. 13-cv-05699 (C.D. Cal. July 8, 2013).

⁵⁴ Jennifer Urban, *How Fair Use Can Help Solve the Orphan Works Problem*, 27 BERKELEY TECH. L.J. 1379 (2012), <https://perma.cc/C7KT-GLAK>; see also David R. Hansen et al., *Solving the Orphan Works Problem for the United States*, 37 COLUM. J. L. & ARTS 1 (2013), <https://perma.cc/87DQ-44J2>; William F. Patry & Richard A. Posner, *Fair Use and Statutory Reform in the Wake of Eldred*, 92 CALIF. L. REV. 1639, 1639–61 (2004), <https://perma.cc/WQ34-TRJF>.

⁵⁵ See, e.g., Library Copyright Alliance, *Response of the Library Copyright Alliance to the Copyright Office’s Orphan Works Report* (June 15, 2015), <https://perma.cc/3HV2-B6NL> (responding to criticism of the fair use approach to orphan works).

⁵⁶ See e.g., Stanford University Library, *Comments on Orphan Works & Mass Digitization Report* (Oct. 9, 2015), <https://perma.cc/GUL4-YJB4> (recognizing importance of fair use rationale for orphan works’ uses but advocating for a further legislative solution to supplement fair use); New York Public Library, *supra* note 35. See also Smith, *supra* note 30, at 21 (Fair use “is probably itself the best ‘solution’ to the orphan works problem, at least in the context of large-scale digitization of library collections.”).

⁵⁷ See, e.g., STATEMENT OF BEST PRACTICES IN FAIR USE OF COLLECTIONS CONTAINING ORPHAN WORKS FOR LIBRARIES, ARCHIVES, AND OTHER MEMORY INSTITUTIONS 7 (2014), <https://perma.cc/JU4L-Q5CB>. The Author of this report contributed to facilitating those discussion group sessions and in drafting this best practices document.

have written about how fair use can support open access to orphan works. For open access to orphans, the fair use defense is among the most frequently cited as being used in practice. It is likely to remain a critical part of any strategy to address orphan works, particularly for open access uses aimed at promoting research and scholarship.

Fair use is a flexible limitation on copyright which “permits and requires courts to avoid rigid application of the copyright statute when, on occasion, it would stifle the very creativity which that law is designed to foster.”⁵⁸ It is a complete defense to a claim of infringement; if fair use is found, it is, according to the Copyright Act, “not an infringement of copyright.”⁵⁹ Developed by judges, the fair use defense was recognized early on by American courts.⁶⁰ Like for many judge-made doctrines, American courts over time honed their analysis to focus on a set of four key factors, which are now codified in the Copyright Act: 1) the purpose and character of the use, 2) the nature of the work copied, 3) the amount and substantiality of the work used, and 4) the effect on the market for the original.⁶¹

The first fair use factor, “purpose and character of the use,” is illustrated by the examples that accompany it in the statute: criticism, comment, news reporting, teaching, scholarship or research. As the Supreme Court has explained, “The central purpose of [the first factor] investigation is to see . . . whether the new work merely ‘supersede[s] the objects’ of the original creation, or instead adds something new, with a further purpose or different character, altering the first with new expression, meaning, or message. It asks, in other words, whether and to what extent the new work is ‘transformative.’”⁶² The rationale is that “the goal of copyright, to promote science and the arts, is generally furthered by the creation of transformative works. Such works thus lie at the heart of the fair use doctrine’s guarantee of breathing space within the confines of copyright.”⁶³ Thus, courts sometimes also consider other things that relate both positively and negatively to copyright’s over-

⁵⁸ *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577 (1994), <https://casetext.com/case/campbell-v-acuff-rose-music-inc> (quoting *Stewart v. Abend*, 495 U.S. 207, 236 (1990), <https://casetext.com/case/stewart-v-abend>).

⁵⁹ 17 U.S.C. § 107 (2015), <https://perma.cc/BK8Y-TAU6>. See also *Lenz v. Universal Music Corp.*, 801 F.3d 1126, 1132–33 (9th Cir. 2015), <https://casetext.com/case/lenz-v-universal-music-corp-17> (fair use is “distinct from affirmative defenses where a use infringes a copyright, but there is no liability due to a valid excuse” such as copyright misuse or laches).

⁶⁰ Some aspects of the doctrine were imported from early English decisions, mostly addressing “fair abridgment.” See Mat Sag, *The Prehistory of Fair Use*, 76 BROOK. L. REV. 1371 (2011), <https://perma.cc/G4BB-W4HM>. See also *Folsom v. Marsh*, 9 F. Cas. 342 (C.C.D. Mass. 1841), <https://perma.cc/FQT7-4LSK>.

⁶¹ 17 U.S.C. § 107, <https://perma.cc/BK8Y-TAU6>.

⁶² *Campbell*, 510 U.S. at 579, <https://casetext.com/case/campbell-v-acuff-rose-music-inc>.

⁶³ *Id.*

arching purpose, such as commercialism (a negative)⁶⁴ or the benefit of the use to the public (a positive),⁶⁵ as relevant under whether the purpose or character of the use is favored.

The second factor operates on the idea that certain types of works are more amenable to fair uses than others because they are closer to the core of the Copyright Act's purpose, incentivizing the creation and distribution of creative works. Thus, courts have assessed under this factor whether a work is more factual in nature (weighing more in favor of fair use) or more creative (weighing against fair use), or whether the work was published (generally weighing in favor of the use) or not.⁶⁶ Similarly, some courts have also concluded that a work not unavailable on the market or out of print⁶⁷ may also weigh this factor in favor of fair use, a consideration that is important for orphan works uses.

The third factor focuses on the amount and substantiality of the original work copied.⁶⁸ Though it requires assessment of "how much," this factor requires a qualitative assessment too. Lower courts have been chided for applying this factor mechanically (a bright-line rule of "one chapter" or "10%" is generally not permissible),⁶⁹ and in several instances the courts have made clear that cop-

⁶⁴ See *id.*

⁶⁵ See *Sundeman v. Seajay Soc'y, Inc.*, 142 F.3d 194, 203 (4th Cir. 1998), <https://casetext.com/case/sundeman-v-the-seajay-society-inc> (Courts may "consider the public benefit resulting from a particular use notwithstanding the fact that the alleged infringer may gain commercially." This public benefit typically involves "the development of art, science, and industry."). See also *Sega Enters. Ltd. v. Accolade, Inc.*, 977 F.2d 1510, 1523 (9th Cir. 1992), as amended (Jan. 6, 1993), <https://casetext.com/case/sega-enterprises-ltd-v-accolade-inc-2>.

⁶⁶ See, e.g., *Campbell*, 510 U.S. at 586. See also Barton Beebe, *An Empirical Study of U.S. Copyright Fair Use Opinions: 1978–2005*, 156 U. PA. L. REV. 549, 610–15 (2008), <https://perma.cc/V3GS-TVEB>.

⁶⁷ See, e.g., *Harper & Row Publishers, Inc. v. Nation Enters.*, 471 U.S. 539, 553 (1985), <https://casetext.com/case/harper-row-publishers-inc-v-nation-enterprises> ("If the work is 'out of print' and unavailable for purchase through normal channels, the user may have more justification for reproducing it."); *Peter Letterese & Assocs., Inc. v. World Inst. of Scientology Enters.*, 533 F.3d 1287, 1313–14 (11th Cir. 2008), <https://casetext.com/case/peter-letterese-assoc-v-world-inst-of-scient> ("[D]efendants characterize the book as out of print, which would tend to favor their claim of fair use"); *Triangle Publ'ns, Inc. v. Knight-Ridder Newspapers, Inc.*, 626 F.2d 1171, 1176 n.14 (5th Cir. 1980), <https://casetext.com/case/triangle-publications-v-knight-ridder> ("[I]f the copyrighted work is out of print and cannot be purchased, a user may be more likely to prevail on a fair use defense.")

⁶⁸ See *Harper & Row Publishers, Inc.*, 471 U.S. at 565.

⁶⁹ *Cambridge Univ. Press v. Patton*, 769 F.3d 1232, 1272 (11th Cir. 2014), <https://casetext.com/case/cambridge-univ-press-oxford-univ-press-inc-v-patton>.

ying the entirety of a work is permissible so long as that is the amount necessary to serve the purpose of the use.⁷⁰

The fourth factor looks at the effect of the use on the market. This analysis “requires courts to consider not only the extent of market harm caused by the particular actions of the alleged infringer, but also whether unrestricted and widespread conduct of the sort engaged in by the defendant would result in a substantially adverse impact on the potential market for the original.”⁷¹ Courts have held that the analysis “requires a balancing of ‘the benefit the public will derive if the use is permitted and the personal gain the copyright owner will receive if the use is denied.’”⁷² Thus, for example, this factor can also weigh how the proffered market for the work relates to the overall purpose of the Copyright Act, to incentivize creation of works.⁷³ Finally, in terms of assessing the factors together, the Supreme Court has instructed that “all are to be explored, and the results weighed together, in light of the purposes of copyright.”⁷⁴

Fair use analysis is highly dependent on the facts of a particular case,⁷⁵ but several studies have shown that there are discernable patterns in the cases that can help predict outcomes.⁷⁶ Professor Pamela Samuelson, building on earlier empirical studies of fair use cases, conducted her own qualitative review of a large number of fair use cases and identified several “policy-relevant clusters” that further helps explain the reasoning and outcome of these cases. She concludes that “fair use

⁷⁰ See *Bill Graham Archives, LLC v. Dorling Kindersley Ltd.*, 448 F.3d 605, 613 (2d Cir. 2006), <https://casetext.com/case/bill-graham-archives-v-dorling-kindersley>; see also *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87, 96 (2d Cir. 2014), <https://casetext.com/case/authors-guild-inc-v-hathitrust-1>.

⁷¹ *Campbell*, 510 U.S. at 590.

⁷² *Bill Graham Archives*, 448 F.3d at 613 (quoting *MCA, Inc. v. Wilson*, 677 F.2d 180, 183 (2d Cir. 1981), <https://casetext.com/case/mca-inc-v-wilson>). See also *Swatch Grp. Mgmt. Servs. Ltd. v. Bloomberg L.P.*, 756 F.3d 73, 90 (2d Cir. 2014), <https://casetext.com/case/swatch-grp-mgmt-servs-ltd-v-bloomberg-lp-4>.

⁷³ See *Fogerty v. Fantasy, Inc.*, 510 U.S. 517, 526–27 (1994), <https://casetext.com/case/fogerty-v-fantasy-inc> (quoting *Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975), <https://casetext.com/case/twentieth-century-music-corp-v-aiken-2>).

⁷⁴ *Campbell*, 510 U.S. at 578 (1994).

⁷⁵ Because fair use is a flexible doctrine, developed by courts rather than set out more specifically in statute, it is sometimes criticized as being unpredictable. See, e.g., LAWRENCE LESSIG, *FREE CULTURE: HOW BIG MEDIA USES TECHNOLOGY AND THE LAW TO LOCK DOWN CULTURE AND CONTROL CREATIVITY* 187 (2004), <https://perma.cc/K9SQ-JAXK>; Thomas F. Cotter, F. Cotter, *Fair Use and Copyright Overenforcement*, 93 IOWA L. REV. 1271, 1284 (2008), <https://perma.cc/4JRE-Y3PD> (“Fair use . . . remains fairly unpredictable and uncertain in many settings . . .”). The Copyright Office has taken this position, stating in its 2015 Orphan Works and Mass Digitization Report that “because of its flexibility and fact-specific nature, [fair use is] a less concrete foundation for beneficial use of orphan works than legislation and is always subject to change. . . .” U.S. COPYRIGHT OFFICE, *supra* note 15, at 41–43.

⁷⁶ See, e.g., Beebe, *supra* note 66; Matthew Sag, *Predicting Fair Use*, 73 OHIO ST. L.J. 47 (2012), <https://perma.cc/QQ3D-FXTK>.

law is both more coherent and more predictable than many commentators have perceived once one recognizes that fair use cases tend to fall into common patterns.”⁷⁷

One common pattern—one of the reasons why more digitizers have been willing to adopt fair use as a solution for online orphan works uses—is the number of cases over the last decade or so in which courts have found in favor of fair use for full-text digitization or reuse of works for uses that promote searching for and finding information, especially those uses that provide broad public benefits. A central theme of those decisions has been that courts have found that the first fair use factor, purpose and character of the use, weighed in favor of the use because it was transformative. This list of cases showing this common pattern now spans over a decade and includes cases in multiple circuits.⁷⁸

For libraries and archives seeking to provide open access to orphan works, the case that provides the most useful guidance is *Authors Guild, Inc. v. HathiTrust*, a suit that figures prominently on that list of transformative use cases. Brought by the Authors Guild against the HathiTrust digital library and five university libraries that had contributed scans to HathiTrust, the case focused on HathiTrust’s digital library of several million volumes, comprised of both public domain works and a large number of in-copyright books, many digitized by Google. For public domain volumes, HathiTrust allowed users to search, view and read the whole work. For in-copyright works, however, HathiTrust provided only limited uses in three ways. First, the public could search its corpus of digitized works, and HathiTrust would return a list of pages of the book on which the search terms appeared. Second, HathiTrust allowed for full-text access for certain blind and print-disabled users with a documented disability. And third, HathiTrust allowed for creation of replacement copies for contributing member libraries that could show that their copies were lost, stolen, or destroyed, and for which a replacement copy was not available at a “fair price.” As discussed above, HathiTrust had also proposed allowing for a fourth use, limited full-text access for certain authenti-

⁷⁷ Pamela Samuelson, *Unbundling Fair Uses*, 77 FORDHAM L. REV. 2539, 2541 (2009), <https://perma.cc/YQZ8-MZNB>.

⁷⁸ See, e.g., *Authors Guild v. Google, Inc.*, 804 F.3d 202, 216 (2d Cir. 2015), <https://casetext.com/case/guild-v-google-inc-1>; *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87, 97 (2d Cir. 2014), <https://casetext.com/case/authors-guild-inc-v-hathitrust-1> (“[C]reation of a full-text searchable database is a quintessentially transformative use”); *Swatch Grp. Mgmt. Servs. Ltd. v. Bloomberg L.P.*, 756 F.3d 73, 85 (2d Cir. 2014), <https://casetext.com/case/swatch-grp-mgmt-servs-ltd-v-bloomberg-lp-4>; *A.V. ex rel. Vanderhye v. iParadigms, LLC*, 562 F.3d 630, 639 (4th Cir. 2009), <https://casetext.com/case/av-ex-rel-vanderhye-v-iparadigms-llc>; *Perfect 10, Inc. v. Amazon.com, Inc.*, 508 F.3d 1146, 1165 (9th Cir. 2007), <https://casetext.com/case/perfect-10-v-amazoncom>; *Kelly v. Arriba Soft Corp.*, 336 F.3d 811, 819 (9th Cir. 2003), <https://casetext.com/case/kelly-v-arriba-soft-corp>; *Fox News Network, LLC v. TVEyes, Inc.*, 124 F. Supp. 3d 325 (S.D.N.Y. Aug. 25, 2015), <https://casetext.com/case/fox-news-network-llc-v-tveyes-inc> (citing *Fox News Network, LLC v. TVEyes, Inc.*, 43 F.Supp.3d 379 (S.D.N.Y.2014), <https://casetext.com/case/fox-news-network-llc-v-tveyes>); *White v. W. Pub. Corp.*, 29 F. Supp. 3d 396, 399 (S.D.N.Y. 2014), <https://casetext.com/case/edward-l-white-edward-l-white-pc-w-publg-corp>; *Am. Inst. of Physics v. Winstead PC*, No. 3:12-CV-1230-M, 2013 WL 6242843, at *5 (N.D. Tex. Dec. 3, 2013), <https://casetext.com/case/am-inst-of-physics-v-winstead-pc>.

cated users to works identified as orphan works. That project was suspended before the court ruled in the lawsuit.

The Authors Guild contended that all of these uses were infringements, that fair use arguments were largely unavailable to HathiTrust because Section 108 (library and archives exceptions to copyright) should apply instead, and that even if fair use was available as a defense, these uses did not qualify. At both the trial court and on appeal, the courts roundly rejected the idea that libraries and archives must rely solely on Section 108 statutory exceptions to copyright to the exclusion of fair use. Pointing out that Section 108 contains an explicit savings clause that states “Nothing in this section in any way affects the right of fair use as provided by section 107....,”⁷⁹ the Second Circuit Court of Appeals had little to say beyond that and resolved the question in a footnote.

On fair use, the case focused heavily on the first fair use factor, purpose and character of the use, and whether HathiTrust’s search functions were transformative. The district court noted positively HathiTrust’s non-profit, educational focus, and observed that “[w]here the purpose of the use is for scholarship and research—uses explicitly mentioned in the preamble to Section 107—the Second Circuit has concluded that the first factor ‘tilt[s] in the defendants’ favor.’”⁸⁰ It also held that the search capabilities—using works verbatim but for an entirely different purpose—was transformative. The Second Circuit largely agreed with this analysis, holding that “the creation of a full-text searchable database is a quintessentially transformative use.”⁸¹

In contrast, the Second Circuit held that creating full-text copies of works for blind and print-disabled users was not a transformative use, but was fair use nevertheless. The court reasoned that

providing expanded access to the print disabled is not ‘transformative.’ . . . [A] transformative use adds something new to the copyrighted work and does not merely supersede the purposes of the original creation. The Authors state that they “write books to be read (or listened to).” By making copyrighted works available in formats accessible to the disabled, [HathiTrust] enables a larger audience to read those works, but the underlying purpose of the HathiTrust’s use is the same as the author’s original purpose.⁸²

The court nonetheless held that these uses were fair, in part because of the special market situations that blind users face when trying to purchase accessible copies. The court explained that the market for these works was “so insignificant” that authors would regularly forego royalties for

⁷⁹ *HathiTrust*, 755 F.3d at 94 n.4.

⁸⁰ *HathiTrust*, 902 F. Supp. 2d 445, 459 (S.D.N.Y. 2012).

⁸¹ *HathiTrust*, 755 F.3d at 97.

⁸² *Id.* at 101.

books manufactured for the blind.⁸³ The court also relied heavily on the positive benefits—bolstered by support for such goals from the Americans with Disabilities Act—assessed under the first fair use factor, purpose and character of the use.

For open access to orphans, *HathiTrust* lends significant weight to a two-pronged argument. The first prong is that non-profit open access uses by libraries and archives will generally be favored under the first fair use factor, “the purpose and character of the use,” because they have broad public benefits,⁸⁴ promote research and scholarship (uses identified in the fair uses’ statutory preamble),⁸⁵ and because in many instances they would be transformative as the purpose of the use is different from that of the original (e.g., home photographs held in a special collection, which were never created to be used in a historical digital collection to highlight a particular time, place, or other subject).⁸⁶

The second prong of the fair use argument relies on the nature of orphan works themselves, that owners cannot be identified or located. Professor Jennifer Urban, who wrote one of the most influential explanations on how fair use can apply to orphan works, explains that this nature of orphan works should weigh positively for analysis under both the second fair use factor (“the nature of the copyrighted work”) and the fourth factor (“the effect of the use upon the potential market” for the original). For the nature of the work, orphan works’ uses should be viewed positively for two reasons, she explains: “[f]irst, the ‘orphan’ aspect of a work’s nature strongly suggests that it was not sufficiently available on the market to support copyright’s dissemination goals. As such, considering orphan status under this factor would be analogous to some courts’ treatment of works whose nature includes being unavailable on the market.”⁸⁷ So, for example, works created with entirely different purposes and incentives in mind—for example, meeting notes, personal correspondence, emails, home photographs, and various other materials that are commonly found in special collections—would weigh even more in favor of use.

For market harm analysis, orphan works present a unique and compelling case. The distinctive feature of orphans—that owners are unidentified or unlocatable—necessarily means that there is likely no current market for use of the work. No matter how much the work is worth or how much

⁸³ *Id.*

⁸⁴ *Sundeman v. Seajay Soc’y, Inc.*, 142 F.3d 194, 203 (4th Cir. 1998), <https://casetext.com/case/sundeman-v-the-seajay-society-inc> (“Courts should also consider the public benefit . . . [which] typically involves the development of art, science, and industry” (citations omitted)).

⁸⁵ 17 U.S.C. § 107 (2015), <https://perma.cc/BK8Y-TAU6> (“[T]he fair use of a copyrighted work . . . for purposes such as . . . teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright.”)

⁸⁶ Urban, *supra* note 54, at 1417.

⁸⁷ *Id.* at 1394.

the user would be willing to pay for a license, one is not obtainable. The same is true of a future market developing at the time of the use by the digitizer.

For applying fair use, practitioners have looked to best practice guides that help explain community norms in applying fair use in specific, common applications. For open access to orphan works, there are two fair use best practice guides that apply. The first is the Association of Research Libraries 2012 *Code of Best Practices in Fair Use for Academic and Research Libraries*.⁸⁸ It explains a general principle that “[i]t is fair use to create digital versions of a library’s special collections and archives and to make these versions electronically accessible in appropriate contexts.” The Code then gives several limitations and enhancements to that general statement. The most relevant for orphan works is that this general principle is enhanced when using works that are not currently commercially exploited and whose owners likely could not be located for permission.

The second guide, the 2014 *Statement of Best Practices in Fair Use of Collections Containing Orphan Works for Libraries, Archives, and Other Memory Organizations* is more specifically designed to address open access orphan works’ uses.⁸⁹ Developed by a group of researchers at American University and the University of California Berkley, the Statement is based on input from over 150 librarians and archivists from around the United States, and was endorsed upon its release by several of the largest U.S. libraries and archives. It specifically focuses on archival and special collections that contain orphan works. For providing access to these collections, the Statement gives a general statement of applicability to providing access to collections containing orphan works, followed by several more specific practices that apply to the lifecycle of a digital access project, covering acquisition, clearances, selective exclusions from access, curation, conditions on availability, dialogue with the public, and providing copies to members of the public.⁹⁰ Among those principles are several that relate to orphan works, such as situations in which searches for rightsholders should be conducted (e.g., works created in the last 25 years, or works with apparent commercial value), and in having a communication mechanism with the public and potential rightsholders.

OTHER LEGAL DEFENSES

Beyond fair use, digitizers of orphan works have not publicly identified many other legal strategies or defenses that are currently used in practice. Greg Cram, for the New York Public Library, for example, explains that

The exceptions and limitations that [New York Public Library relies on] the most . . . is fair use. And we think that our use of the orphan works in these ways is consistent with fair use. . . . To some extent we use §108(h) [a statutory limitation that

⁸⁸ ASSOC. RESEARCH LIBRARIES, CODE OF BEST PRACTICES IN FAIR USE FOR ACADEMIC AND RESEARCH LIBRARIES (2012), <https://perma.cc/JHX2-DR9Q>.

⁸⁹ STATEMENT OF BEST PRACTICES IN FAIR USE OF COLLECTIONS CONTAINING ORPHAN WORKS, *supra* note 57.

⁹⁰ *Id.* at 27.

allows for library and archives uses of published works in their last 20 years of copyright term] to bolster our arguments. . . . It's not always clear when we have a published work or not, so when we're dealing with older works that are likely within the last 20 years of their copyright status, if they were published, then we feel more comfortable making those things available through §108(h). But to be honest, 108(h) is more of a backstop for us. Fair use is our main argument for many of these orphans. [In addition], for damages, under §504(c)(2), if libraries have a reasonable belief that their use is a fair use then statutory damages can be taken off the table and judges can remit damages down to nothing. In those cases that makes us. . . more comfortable.

Others report similar reliance on fair use supplemented by Section 108. For example, in another interview for this report, Sharon Farb and Heather Briston, of UCLA Library explained a similar strategy that focused on fair use while recognizing Section 108's limited, but potential, application:

108 is important and in particular I think if it's a textual... A lot of the kind of work that we're looking at would fall sadly outside of 108. But I think if you are talking about a textual work, we would definitely look at 108 if we can use it. So I think 108 [statutory library and archives exceptions], 107 [fair use] go together.

Strategies to minimize damages also play a factor. Peter Hirtle of Cornell Library explained that undergirding an assertion of fair use for certain collections

[there is] an implicit recognition of 17 USC § 412: that unregistered materials are not likely to present much of a financial threat to the institution. You could make the same argument with published foreign works that are out of commerce. It is unlikely that they have been registered in the US and so would not be eligible for statutory damages, but only actual damages. If the work is out-of-commerce, that would be low."

Aside from fair use, librarians or archivists have cited application of Section 108, efforts to minimize negative remedies by employing protections against statutory damages in Section 504(c)(2), and protection from statutory damages by using unregistered works. They have publicly cited few other legal doctrines that they are relying on to make open access uses of orphan works.

SEARCHES FOR RIGHTSHOLDERS

Searching for rightsholders has long been an important part of the ongoing discussion about orphan works solutions and is a critical part of a risk management strategy. Some treatments of the orphan works problem, such as in the EU, address searches for rightsholders as a definitional issue; a work is only considered an orphan under its terms if "none of the rightsholders in that work . . . is identified or, even if one or more of them is identified, none is located despite a diligent

search for the rightholders.”⁹¹ While other approaches to orphan works are more flexible,⁹² searching for rightholders has remained a central concept in both legislative proposals and as part of solutions proposed under existing law.

Several digitizers have explained that it is often neither practical nor desirable in many instances to separate out orphans from the rest of their collections for individualized searches for rightholders. This is particularly true for digitization of special collections. The University of California Council of Librarians, for example, explains that keeping collections together is important in its own right: “the ability to digitize entire collections and keep all of the materials of a creator or collector together both preserves the original material and provides the context necessary for thorough research and complete understanding of the collection’s subject.”⁹³ The Council goes on to explain that singling out individual works for investigation is also typically not practical.

A diligent item-by-item search is not a practical solution . . . Even in those instances where an author and publisher are clearly indicated, determining the copyright status and the identity of the copyright holder can pose difficulties Imagine, therefore, how much more difficult a search can be when there is no identifying information at all.⁹⁴

Digitizers do, however, conduct searches for owners of individual works in some circumstances. Several have reported on their search efforts, which have achieved varying degrees of success. Most, again, have focused on special collections. The criteria for when to conduct a search and how extensive that search should be is not well defined, but may be driven by factors such as the type of work (e.g., some works, such as unmarked photographs, are more difficult than others), an informal assessment of risk, how the work will be used, and how defenses, particularly fair use, would

⁹¹ Directive 2012/28/EU of the European Parliament and of the Council of October 25, 2012, on Certain Permitted Uses of Orphan Works, art. 2, 2012 O.J. (L 299) 5, 9, <https://perma.cc/3C5G-PNYU>.

⁹² For example, the Copyright Office defines an “orphan work” to mean “any original work of authorship for which a good faith prospective user cannot readily identify and/or locate the copyright owner.” U.S. COPYRIGHT OFFICE, *supra* note 15, at 9.

⁹³ The Council of University Librarians at the University of California, Statement Concerning Orphan Works Notice of Inquiry (Feb. 2013), <https://perma.cc/9WPF-CY55>.

⁹⁴ *Id.* See also STATEMENT OF BEST PRACTICES IN FAIR USE OF COLLECTIONS CONTAINING ORPHAN WORKS, *supra* note 57, at 10 (“discussions began with a focus on orphan works as such, deliberative groups quickly made clear that the nature of most digitization projects—especially those on a larger scale—meant that librarians and archivists had little practical way of addressing individual orphan works separately from the collections of which they are a part. As a result, the conversation in most deliberative group sessions soon shifted to how fair use supports the digitization of collections that are believed to contain orphan works.”).

be affected.⁹⁵ For example, Polina Ilieva, Archivist for the University of California San Francisco Library, explains her organization's general practice that

If it's a well-known person we usually write to estate or the person and check the status of the copyright and make sure that we will be able to provide some access online to a letter. . . . If that's like a manuscript by someone else. . . we usually will check for the copyright status. And in most of the cases we have been successful because we did receive responses from the estates. But we didn't send that many letters.

Greg Cram, New York Public Library, explains similarly that "if we've got a collection of let's say 12,000 photos that likely have a single rightsholder, we're probably going to put a good amount of time into that because divided over 12,000 photos, the cost is actually pretty light for us. But if we're only looking at a single photo where we want to use a photo in an exhibition book, for example . . . We may tell the curator or the person who's in charge that we think that it's going to require more time and see if they're willing to find something else."

Some organizations have reported assessing larger numbers of potential orphan works in their collections. For example, Mikka Gee Conway, Assistant General Counsel for the J. Paul Getty Trust, reports that as of late October 2015, for the 99,415 works cataloged in the J. Paul Getty Museum collection, the museum has worked to identify 1,701 as orphans. For 1,698 of those works, the orphan work determination was made because a rightsholder was not identifiable. In only three cases were works deemed to be orphaned because rightsholders could not be located.

In other countries, orphan works users are more regularly reporting on searches for rightsholders. The European Union, for example, has created an EU-wide Orphan Works Directive that allows certain cultural heritage institutions to make certain uses of orphan works after those users conduct a "diligent search" and record their efforts in a centralized orphan works database.⁹⁶ Since that Directive entered into force in 2012, however, users to date have identified and recorded only 1,724 works as orphans in that registry from searches conducted across the EU.⁹⁷

⁹⁵ For some helpful ideas on how to think about when and how to conduct a search, see Victoria Stobo with Roman Deazley & Ian G. Anderson, *Copyright & Risk: Scoping the Wellcome Digital Library Project* (Centre for Copyright and New Business Models in the Creative Economy (CREATE), Working Paper No. 10, 2013), <https://perma.cc/Z7XL-89XM> (UK).

⁹⁶ Directive 2012/28/EU, *supra* note 91.

⁹⁷ *Orphan Works Database*, EUROPEAN UNION INTELLECTUAL PROPERTY OFFICE, <https://oami.europa.eu/orphanworks/#search/basic/all> (last visited May 19, 2016).

For conducting searches, digitizers can now look to a variety of tools to help guide their efforts.⁹⁸ In the United States, the Society of American Archivists has published its *Orphan Works: Statement of Best Practices*, which gives guidance both on how to assess what effort to expend on a search and where to search for identifying and then locating rightsholders.⁹⁹ In the European Union, the Orphan Works Directive gives specific instructions on minimum information users must gather and use in searching for owners of four content types: published books, newspapers and periodicals, visual works, and audiovisual works.¹⁰⁰

EU members have now implemented the Orphan Works directive in their national legislation,¹⁰¹ and most have made only a handful of changes to the search requirements. Italy, for example, adopted the Directive's search guidance but also requires searchers to consult with the Registro Pubblico Generale delle Opere protette (public register of works) established at the Italian Ministry for Cultural Activities and to publicly post the list of proposed orphans for 90 days before they can be used.¹⁰² Other nations have merely added country-specific databases, such as the German Film Institute holdings for audiovisual works in Germany.¹⁰³ The United Kingdom has produced what is probably the most thorough set of search guidelines, offering a 44 page guide to searching for owners of film and sound,¹⁰⁴ a 50 page guide to searching for owners of literary works,¹⁰⁵ and a 46

⁹⁸ A handful of library and information science articles address how to conduct searches. See, e.g., Carol Ebbinghouse, *Due Diligence in Searching for Orphan Work Creators*, SEARCHER: THE MAG. FOR DATABASE PROFS., May 2012, at 42; Drew Smith, *Finding Parents for Orphan Works: Using Genealogical Methods to Locate Heirs for Obtaining Copyright Permissions*, 41 J. ACAD. LIBRARIANSHIP 280 (2015).

⁹⁹ SOCIETY OF AM. ARCHIVISTS, ORPHAN WORKS: STATEMENT OF BEST PRACTICES 2 (2009), <https://perma.cc/RWH7-2HE2>.

¹⁰⁰ Directive 2012/28/EU, *supra* note 91, at Appendix A.

¹⁰¹ EU Orphan Works Directive Implementation, MANAGING ALTERNATIVES FOR PRIVACY, PROPERTY AND INTERNET GOVERNANCE POLICY OBSERVATORY, <https://perma.cc/LN9A-ALGW> (last visited May 19, 2016).

¹⁰² See Decreto Legislativo 10 novembre 2014, n.163, G.U. Nov. 11, 2014, n.261, <https://perma.cc/STU3-E2Y9> (It.).

¹⁰³ See Gesetz zur Nutzung verwaister und vergriffener Werke und einer weiteren Änderung des Urheberrechtsgesetzes, Oct. 8, 2013, BGBl I at 3728, http://www.bgbl.de/xaver/bgbl/start.xav?startbk=Bundesanzeiger_BGBl&jumpTo=bgbl113s3728.pdf (Ger.).

¹⁰⁴ INTELLECTUAL PROP. OFFICE, ORPHAN WORKS DILIGENT SEARCH GUIDANCE: FILM AND SOUND, (Nov. 17, 2015), <https://perma.cc/8UV4-BJ4U> (UK).

¹⁰⁵ INTELLECTUAL PROP. OFFICE, ORPHAN WORKS DILIGENT SEARCH GUIDANCE: LITERARY WORKS (Nov. 17, 2015), <https://perma.cc/L2B6-7BPX> (UK).

page guide to searching for owners of still visual art.¹⁰⁶ Each document is updated annually and is accompanied by a short checklist for users.¹⁰⁷

Those EU search guidelines have been subject to criticism—one recent three-year study concluded that the search requirements as implemented in the UK, the Netherlands, and Italy “pose [a] significant burden to would-be users of orphan works.”¹⁰⁸ Nevertheless, digitizers may find these foreign guides to diligent search useful both for finding owners of works published abroad or created by foreign authors, and for use as a framework to adapt for a search process for U.S. works. To the extent that they are too onerous for application to every work, these guides can be augmented by looking to guides such as the SAA Orphan Works Best Practices and other documents that relate searches for rightsholders to specific defenses, such as fair use best practices discussed below, that help explain in what circumstances searches are most necessary and expenditure of effort is appropriate.

TAKEDOWN POLICIES

A second practical strategy currently used by libraries and archives to reduce risk is to implement a responsive notice-and-takedown mechanism that allows purported rightsholders to make claims known and to initiate a conversation with the digitizer about permissions and licensing for the works in their collections. For example, the TRLN document cited above¹⁰⁹ explains that

The TRLN member libraries will respond to all complaints arising from the digitization and online presentation of the manuscript collections/archival record groups. Each library’s website will include a statement about intellectual property along with contact information. Each library will review complaints for materials on its site, and, if warranted, will remove the digital objects associated with the complaints.

Take-down policies of this sort can vary in terms of how they are applied, depending on how responsive the organization wants to be to complaints. Some, like the TRLN model, allow for more discretion as to whether an item will be removed upon complaint. Another,

¹⁰⁶ INTELLECTUAL PROP. OFFICE, ORPHAN WORKS DILIGENT SEARCH GUIDANCE: STILL VISUAL ART (Nov. 17, 2015), <https://perma.cc/2R8Z-H9HX> (UK).

¹⁰⁷ INTELLECTUAL PROP. OFFICE, *supra* note 104; INTELLECTUAL PROP. OFFICE, *supra* note 105; INTELLECTUAL PROP. OFFICE, *supra* note 106.

¹⁰⁸ Press Release, Enhancing Access to 20th Century Cultural Heritage through Distributed Orphan Works Clearance (EnDOW), Research Backs up the Overly Burdensome Nature of the “Diligent Search” Requirement for Cultural Insts. Willing to Make Use of Orphan Works (Feb. 5, 2016), <https://perma.cc/C7MH-QXP2> (EU); see also ENDOW, REPORT: REQUIREMENTS FOR DILIGENT SEARCH IN THE UNITED KINGDOM, THE NETHERLANDS, AND ITALY (2016), <https://perma.cc/3KTD-B5ZX>.

¹⁰⁹ TRLN, *supra* note 36.

from the Wellcome Trust Digital Library Project (subject to UK law), for example, takes the approach that the “policy is designed to be quick response: the material is removed immediately on receipt of a takedown request, and a review panel assesses the requests on a case by case basis, returning a decision within four weeks.”¹¹⁰

It’s also worthwhile to recognize that these policies, modeled loosely on the system that exists within the Copyright Act to provide safe harbors for internet service providers, do not provide any special legal protection.¹¹¹ There is neither a guarantee that a rightsholder whose material was removed pursuant to one of these policies would not sue, nor any legal obstacle imposed by a take-down policy to doing so. However, the loose modeling on the Copyright Act take-down model tends to show good faith and gives both rightsholders and libraries and archives a familiar model from which to operate to address complaints before they escalate into a more serious dispute.¹¹²

¹¹⁰ Stobo with Deazley & Anderson, *supra* note 95, at 40.

¹¹¹ 17 U.S.C. § 512 (2015), <https://perma.cc/BK8Y-TAU6>.

¹¹² Schofield & Urban, *supra* note 47.

LEGAL DEFENSES FOR USE OF ORPHAN WORKS

Maximizing legal defenses is a core part of any strategy for reducing the legal risk associated with using orphan works for open access. These defenses underpin efforts to avoid disputes in the first place, dissuading potential litigants from pursuing claims by convincing them that such claims have no legal basis. In some cases they can also, even if unsuccessful, help minimize negative outcomes from a dispute.¹¹³ Because of its central importance, more has been written about legal defenses for orphan works uses than about probably any other aspect of a legal strategy reviewed in this report. Much of the literature on legal defenses focuses on proposals for new legislation, but some also touches on solutions under existing law to justify certain uses of orphan works.

The strength and certainty of these defenses under existing law varies widely. Some, such as fair use, are based on a well-developed body of case law and are already used in practice. Others, such as the statutory uses permitted by the Copyright Act's library and archives exceptions under Section 108, offer specific guidelines but remain seldom used and applicable in only a narrow set of circumstances. Other justifications, such as laches and adverse possession, are regularly applied in other areas of the law but have a limited history of uses with copyrighted works, and have never been applied to orphan works uses specifically.

Of the defenses available for open access to orphan works, fair use is undoubtedly the most important in current practice. As explained in the section on Current Practices, because of its flexibility, for many open access uses of orphan works, applying fair use is and will likely remain a major part of practice. This is especially true for digitized special collections containing orphan works, though the doctrine has application to other types of orphan works too, including application as a defense for use of orphan works that are part of core library print collections.

This section reviews other potential defenses and offers some ideas about which ones might be most applicable to open access orphan works uses. This section reviews seven types of defenses, roughly in order of which are most immediately viable as defenses for library and archive digitizers. The first two, (1) Section 108 library and archives exceptions and (2) equitable defenses, primarily laches, are well-studied and based on an established body of law. Neither has been applied directly to orphan works uses, but their application is clear. Three others, (3) implied license; (4) copyright misuse; and (5) tort-law derived defenses; are promising potential defenses that deserve further study. For all three, the law is insufficiently developed to make a good assessment of how these defenses would apply to broad, open access use of orphan works. The remaining defenses discussed

¹¹³ The strength of legal justifications may also be important from an institutional, cultural or moral perspective. As Peter Hirtle, Senior Policy Advisor for Cornell University Library, explains: "[I]t seems to me that there is a huge world of difference between saying 'This is not an infringement because of X' and saying 'This is an infringement, but the likelihood that we will be sued or face serious damages is low.' Cornell has a policy that it will not engage copyright infringement. The policy does not say that 'We will not engage in copyright infringement only when the risk of damages is high.'"

here, (6) abandonment or waiver; and (7) adverse possession; are more challenging to apply to orphan works uses. Both have been discussed at length in orphan works literature, which is why they are addressed here, but neither is immediately useful for digitizers.

Of these categories of defenses, Section 108 defenses and the equitable defense of laches are the most promising, though both are subject to some limitations. Section 108, for example, is limited because its relevant exceptions cannot be used for systematic copying; its provisions only allow for production of “a copy” of a work in most cases. That means that digital reproduction and distribution systems that depend on making multiple copies must rely on other defenses for creation of those additional copies.

I conclude that adverse possession and abandonment, though frequently mentioned and an appealing analogy, are unlikely to be viable defenses for most uses under current law. Finally, the doctrine of copyright misuse presents some interesting options for digitizers, but the state of the law is still developing and it is uncertain how misuse would apply to orphan works.

SECTION 108 LIBRARY AND ARCHIVE EXCEPTIONS

Section 108 of the U.S. Copyright Act—“Limitations on exclusive rights: Reproduction by libraries and archives”—allows qualifying libraries and archives to make limited uses of copyrighted works.¹¹⁴ Section 108 is the workhorse for many common library and archives’ uses of copyrighted works, including the creation of analog replacement copies and creation and distribution of copies for interlibrary loan and document delivery.¹¹⁵ Section 108 uses to date have been relatively “safe”; there are no instances of a non-profit library asserting Section 108 in court and losing. There are only a handful of Section 108 cases citing to Section 108 at all.¹¹⁶ Librarians and archivists have long lamented, however, that Section 108 is inadequate to allow for modern digital uses.¹¹⁷ While Section 108 has been studied, at the request of the Register of Copyrights, for changes to bring it up to date,¹¹⁸ no legislative changes have been made or formally proposed by the Copyright Office.¹¹⁹ Perhaps because of its perceived limited application to digital uses, few have singled out

¹¹⁴ 17 U.S.C. § 108, <https://perma.cc/BK8Y-TAU6>.

¹¹⁵ See David R. Hansen, *Copyright Reform Principles for Libraries, Archives, and Other Memory Institutions*, 29 BERKELEY TECH. L.J. 1559, 1579 (2014), <https://perma.cc/59KM-Z87N>.

¹¹⁶ See *id.* at 1572–73.

¹¹⁷ See e.g., Laura N. Gasaway, *Amending the Copyright Act for Libraries & Society*, 70 ALBANY L. REV. 1331, 1339–42 (2007), <https://perma.cc/QPE4-KPSC>; Peter Hirtle, *Digital Access to Archival Works: Could 108(b) Be the Solution?*, COPYRIGHT & FAIR USE, STANFORD UNIV. LIBRARIES (Sept. 24, 2006), <https://perma.cc/9R8F-E8M8>; *Issue Brief: Archivists and Section 108 of the Copyright Act*, SOC’Y OF AM. ARCHIVISTS (May 2014), <https://perma.cc/E9HL-AE3W>.

¹¹⁸ *The Section 108 Study Group*, LIBRARY OF CONG., <https://perma.cc/9ZRF-WVYP> (last visited June 6, 2016).

¹¹⁹ SECTION 108 STUDY GROUP REPORT 25 (2008), <https://perma.cc/63GM-SFG6> (concluding that orphan works should not be addressed by the Study Group).

Section 108's existing provisions as being particularly helpful for providing open access to orphan works or mass digitization more generally.¹²⁰ Some provisions of Section 108 are worth discussing as tools that can be used by digitizers of orphan works. As discussed above, a few libraries have pointed to Section 108 as being of some limited use for orphan works, but no one has explained in any detail how they would plan to use it in practice.

OVERVIEW OF SECTION 108

Like fair use, Section 108 is a complete defense to copyright infringement. Uses under its provisions are “not an infringement of copyright,” and the Section operates alongside other limitations and exceptions, such as fair use.¹²¹ Section 108 allows for library and archives' copying in five situations:

- 1) Section 108(b) allows for making and distributing full-text preservation copies of unpublished works;
- 2) Section 108(c) allows for making full-text replacement copies of published works that are lost, stolen, damaged, deteriorating, or in obsolete formats;
- 3) Section 108(d) allows for making and distributing copies of excerpts of works (for example, an article or other small part of a copyrighted work) for distribution to patrons;
- 4) Section 108(e) allows for reproduction and distribution of the full-text of works for distribution to patrons; and
- 5) Section 108(h) allows for full-text reproduction and distribution of published works in the final 20 years of their copyright term.

All of these provisions are subject to several important limitations. For one, not all digitizers will qualify to use Section 108. Section 108(a) limits its application to only “library or archives,” and only if 1) the copying and distribution is done “without any purpose of direct or indirect commercial advantage”¹²² and 2) if the collections of the institution are open to the public or at least avail-

¹²⁰ See James Aaron, *The Authors Guild v. Hathitrust: A Way Forward for Digital Access to Neglected Works in Libraries*, 16 LEWIS & CLARK L. REV. 1317, 1329 (2012), <https://perma.cc/5F45-WMQ7> (“In short, the section 108 defenses likely provide no relief.”); Peter B. Hirtle, *Undue Diligence?*, 34 COLUM. J.L. & ARTS 55, 56 (2010), <https://perma.cc/KVB4-NPJE> (“Current § 108, however, does not allow archivists to use the modern day microfilm equivalent—digital technologies—to provide distributed access to archival repositories.”); Pamela Samuelson, *Legislative Alternatives to the Google Book Settlement*, 34 COLUM. J.L. & ARTS 697, 715 (2011), <https://perma.cc/TV5F-EB2B> (suggesting Congress should broaden Section 108 to allow for more mass preservation).

¹²¹ 17 U.S.C. § 108(f)(4) (2015), <https://perma.cc/BK8Y-TAU6> (“Nothing in this section . . . in any way affects the right of fair use as provided by section 107, or any contractual obligations assumed at any time by the library or archives when it obtained a copy or phonorecord of a work in its collections.”); see also *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87, 94 n.4 (2d Cir. 2014), <https://casetext.com/case/authors-guild-inc-v-hathitrust-1>.

¹²² 17 U.S.C. § 108(a)(1).

able to researchers in a specialized field.¹²³ These terms would seem to disqualify commercial digitizers.¹²⁴ Some have also suggested that these terms might prevent online-only libraries and archives from using Section 108.¹²⁵ Museums and other types of cultural heritage institutions are not explicitly mentioned and so may also fall outside of the ambit of Section 108.¹²⁶

The second major limitation is that uses under Section 108 “extend to isolated and unrelated reproduction or distribution of a single copy of the same material.”¹²⁷ Section 108 does not allow for “related or concerted reproduction or distribution of multiple copies of the same material”¹²⁸

The third limitation is that Section 108 generally limits distribution of full-text copies of works. Section 108(d) allows for distribution of interlibrary loan copies, but limits those copies to only small or partial copies—one article, a selection from a contribution, or a small part of any other type of work.¹²⁹ Subsections (b) (preservation of unpublished works) and (c) (preservation of published works) permit full-text copying, but only subsection (b) allows for distribution to the public. Even then, distribution of preservation copies in digital formats is explicitly restricted. The statute provides that “[a]ny such [preservation] copy or phonorecord that is reproduced in digital format is not otherwise distributed in that format and is not made available to the public in that format outside the premises of the library or archives.”¹³⁰ Only Subsections (e) (full-text copies for patrons) and (h) (works in their last 20 year of term) permit full text reproduction *and* distribution, and those provisions are subject to special requirements discussed below.

¹²³ 17 U.S.C. § 108(a)(2) (i) & (ii).

¹²⁴ See *New York Times Co. v. Tasini*, 533 U.S. 483, 503 (2001), <https://casetext.com/case/new-york-times-co-v-tasini> (“The Publishers have frequently referred to their products [compiled as a LEXIS/NEXIS database] as ‘electronic libraries.’ We need not decide whether the Databases come within the legal coverage of the term ‘libraries’ as used in the Copyright Act. For even if the Databases are ‘libraries,’ the Copyright Act’s special authorizations for libraries do not cover the Databases’ reproductions. See, e.g., 17 U.S.C. § 108(a)(1) (reproduction authorized ‘without any purpose of direct or indirect commercial advantage.’”).

¹²⁵ A 2001 U.S. Copyright Office Report cast doubt on whether Section 108 would allow for provision of digital copies to patrons, and an earlier Senate Committee Report (on Section 108 revisions contained in the DMCA) suggested that Section 108 would not apply to “online digital ‘libraries’ and ‘archives’ that exist only in the virtual (rather than the physical) sense.” S. REP. NO. 105-190, at 62 (1997), <https://perma.cc/M2SL-FXJ5>. I have argued elsewhere that neither assertion has much basis in the text of the statute. See Hansen, *supra* note 115, at 1581–82.

¹²⁶ See SECTION 108 STUDY GROUP REPORT, *supra* note 119, at 31.

¹²⁷ 17 U.S.C. § 108(g).

¹²⁸ *Id.*

¹²⁹ 17 U.S.C. § 108(d).

¹³⁰ 17 U.S.C. § 108(b)(2). See also 17 U.S.C. § 108 (c)(2).

Finally, the fourth limitation is that provisions for copies made for patrons, under Subsections (d) and (e), only apply to a subset of copyrighted works: “The rights of reproduction and distribution under this section do not apply to a musical work, a pictorial, graphic or sculptural work, or a motion picture or other audiovisual work other than an audiovisual work dealing with news . . .”¹³¹ except for pictorial or graphic works that are included as illustrations in other works that are covered, such as books or articles.

SECTION 108(E) AS APPLIED TO ORPHAN WORKS

Despite its narrow focus, Section 108 retains some potential for open access to orphan works. Because open access generally requires full-text reproduction *and* distribution of works online, two provisions stand out: Section 108(e) (provision of full-text copies for patrons) and Section 108(h) (works in their last term). Both of these provisions allow for both reproduction and distribution of full-text copies online, and both have special rules that are uniquely suited to orphan works applications.

Section 108 (e) provides that “[t]he rights of reproduction and distribution under this section apply to the entire work . . . made from the collection of a library or archives where the user makes his or her request or from that of another library or archives,” subject to meeting these three conditions:

- (1) “if the library or archives has first determined, on the basis of a reasonable investigation, that a copy . . . of the copyrighted work cannot be obtained at a fair price;”
- (2) “the copy . . . becomes the property of the user, and the library or archives has had no notice that the copy . . . would be used for any purpose other than private study, scholarship, or research;” and
- (3) “the library or archives displays prominently, at the place where orders are accepted, and includes on its order form, a warning of copyright.”¹³²

In addition to these three restrictions are the two more general limitations noted above, that Section 108 in general does not apply to systematic reproduction and distribution of works; and that this section generally does not apply to uses of a “musical work, a pictorial, graphic or sculptural work, or a motion picture or other audiovisual work other than an audiovisual work dealing with news. . . .”¹³³

¹³¹ 17 U.S.C. § 108(i).

¹³² *Id.*

¹³³ 17 U.S.C. § 108(g).

There is little guidance on applying Section 108 to orphan works' uses.¹³⁴ Many of the challenges are definitional, however, and some reasonable interpretation is possible. For open access to orphan works, the "reasonable investigation" required under 108(e) to determine that a copy could not be obtained at a "fair price" poses a challenge for potential users. Neither of those terms are further defined in the statute nor have they been interpreted by any court. The legislative history provides only scant guidance, though it does give some clues about what might satisfy the "reasonable investigation" requirement. The House Committee Report that accompanied passage of the 1976 Copyright Act gives some explanation for searches under 108(e), explaining that "[t]he scope and nature of a reasonable investigation to determine that an unused copy cannot be obtained will vary according to the circumstances of a particular situation. It will always require recourse to commonly-known trade sources in the United States, and in the normal situation also to the publisher or other copyright owner (if the owner can be located at the address listed in the copyright registration), or an authorized reproducing service."¹³⁵

One idea would be to consider adapting some of the standards outlined in the Section on "Current Practices" for diligent search guidelines. Those guidelines are geared toward identifying owners, while Section 108(e) requires investigation into whether a copy is available at a fair price. In some cases, this would mean that the 108(e) search could be less extensive than a search for the owner. For example, for works for which the library or archive is known to hold the only extant copy (e.g., some unpublished works, such as personal correspondence) the investigation would likely require no additional search.

For published works, such as monographs, the search may require more work. There is some conflicting guidance about whether 108(e) requires a search for a *new* copy or merely any copy, *new or used*. The text of the statute simply says "copy," but the Senate Report, printed with the Act and quoted above, contemplates searches for an "unused" copy. Assuming a conservative approach of searching for a copy new or used could mean searching normal commercial channels (e.g., Amazon, AbeBooks, addall.com, or ViaLibri) for both new and used copies.

The further requirement, that a copy is not available at a "fair price," also requires some work to understand how to apply it. Legislative history gives no real guidance as to what this means. Other areas of the law—such as the Uniform Commercial Code—are, however, regularly used to resolve questions about transactions with unstated prices, typically with reference to market rates.¹³⁶ Commentators tend to agree, stating that market rates—determined, perhaps, by the retail value of

¹³⁴ None of the literature discussing Section 108 application to orphan works has offered ideas about implementation. See, e.g., U.S. COPYRIGHT OFFICE, *supra* note 8, at 45-46; Christina M. Costanzo, *Have Orphan Works Found A Home in Class Action Settlements?*, 83 TEMP. L. REV. 569, 575 (2011), <https://perma.cc/4KE4-Q6LQ>; Olive Huang, *U.S. Copyright Office Orphan Works Inquiry: Finding Homes for the Orphans*, 21 BERKELEY TECH. L.J. 265, 273 (2006), <https://perma.cc/5RGU-Q6K8>.

¹³⁵ H.R. REP. NO. 94-1476, at 76 (1976), <https://perma.cc/ZU93-JG87>.

¹³⁶ See, e.g., U.C.C. § 2-305 (AM. LAW INST. & UNIF. LAW COMM'N 2002), <https://perma.cc/3FWG-YWLB>.

the work when new and not by any accrued special collector's value¹³⁷—are good reference points. For unique works, comparing to average prices in a particular subject area may be another way to determine “fair price,” with reference to guides such as the *Library Book Trade Almanac*.¹³⁸

Finally, and most significantly, digitizers must also address limitations on the number of copies produced and the Section 108(g) limitation on systematic copying. Libraries and archives are only permitted to make a single copy of a work under Section 108(e), and so they must look to either technological solutions or to other limitations or exceptions to make additional copies. As the Section 108 Study Group noted when it assessed how these provisions might apply to digital copies, the single-copy limitation makes application to online dissemination a challenge because the provision of a digital copy may require creation of temporary copies of the work to facilitate digital transmission.¹³⁹ Moreover, for works currently in analog form, digitization and dissemination to users would require two permanent copies—the copy created on the digitizer's end and the copy retained by the users. Section 108 could only be used to make one of those copies.

There are a few ways to address this limitation. One is to create the initial digital copy pursuant to some other limitation or exception—such as fair use or another of the Section 108 exceptions, for example a Section 108(c) replacement copy of a book. A second option, or perhaps just another way of articulating the same result, is to rely on fair use to justify substantial compliance with the statute. The purpose of the one copy limit in Section 108(e) seems to be to avoid proliferation of copies and dilution of the market for the original work. A temporary copy made only for the purpose of transmitting the work would seem to fall outside the rationale for limiting additional copies. Thus, as some have argued, fair use's flexibility could be used to allow the substantially-complying Section 108 use anyway.¹⁴⁰

¹³⁷ See N.Y. UNIV. LIBRARIES, VIDEO AT RISK: STRATEGIES FOR PRESERVING COMMERCIAL VIDEO COLLECTIONS IN LIBRARIES 22 (2013), <https://perma.cc/2Z9N-7SLT>.

¹³⁸ See LISA MACKLIN, EMORY UNIV. SCHOLARLY COMM'NS OFFICE (formerly the Intellectual Prop. Rights Office), CAN I MAKE A DIGITAL PRESERVATION COPY UNDER SECTION 108? (Oct. 14, 2010), <https://perma.cc/M6HS-CEM6>.

¹³⁹ See SECTION 108 STUDY GROUP REPORT, *supra* note 119, at 100. Since the time of the Section 108 Study Group's report in 2008, cases in the Second Circuit and elsewhere have challenged the idea that temporary copies necessary for digital transmission are sufficiently fixed to be considered “copies.” See, e.g., *Cartoon Network LP v. CSC Holding, Inc.*, 536 F. 3d 121, 129–30 (2d Cir. 2008), <https://casetext.com/case/cartoon-network-v-csc-holdings> (holding that a copy held in RAM memory for 1.2 seconds was not sufficiently fixed to be considered a copy). Cf. *MAI Sys. Corp. v. Peak Comput. Inc.*, 991 F.2d 511, 518 (9th Cir. 1993) (RAM reproductions are copies), <https://casetext.com/case/mai-systems-corp-v-peak-computer-inc>.

¹⁴⁰ Jonathan Band, *The Impact of Substantial Compliance with Copyright Exceptions on Fair Use*, 59 J. COPYRIGHT SOC'Y U.S.A. 453, 466–67 (2012), <https://perma.cc/B6TM-SETU> (“Section 108(d) by its terms allows reproduction and distribution for the purpose use of private study, scholarship, and research. Emailing the user a PDF achieves this purpose, too, thus tilting the first factor towards fair use. Although the user could forward the email of the PDF to others, the widespread availability of scanners means that a user who received a photocopy of the

What would open access to orphan works under Section 108(e) look like in practice? One could imagine a library “virtual reading room,” for example, for the types of content covered by 108(e) (primarily textual published and unpublished material, excluding “musical work, a pictorial, graphic or sculptural work, or a motion picture or other audiovisual work other than an audiovisual work dealing with news”). Users searching a catalog or otherwise discovering the texts could then make a request for a digital copy after being presented with the appropriate copyright warning notice, and after being informed or warned that use of the works is only available for “study, scholarship, or research.”¹⁴¹

SECTION 108(H) AS APPLIED TO ORPHAN WORKS

Section 108(h) is the second provision that may have some application to orphan works uses.¹⁴² Created as a way to ameliorate the effect of the 1998 Sonny Bono Copyright Term Extension Act, which lengthened terms by 20 years, Section 108(h) contains the only statutory provision with orphan works issues explicitly in mind (it was amended and expanded in scope by the “Preservation of Orphan Works Act”).¹⁴³ Section 108(h) provides that “during the last 20 years of any term of copyright of a published work, a library or archives, including a nonprofit educational institution that functions as such, may reproduce, distribute, display, or perform in facsimile or digital form a copy or phonorecord of such work, or portions thereof, for purposes of preservation, scholarship, or research.”¹⁴⁴

Like 108(e), Section 108(h) has several significant limitations. It only applies if the library or archives is able to determine, based on a “reasonable investigation,” that none of the following apply: that the work is subject to “normal commercial exploitation,” that a copy can be obtained at a “reasonable price,” or that “the copyright owner or its agent provides notice pursuant to regulations promulgated by the Register of Copyrights that either” of the preceding conditions apply.¹⁴⁵

article by regular mail could also easily scan and retransmit the article. Thus, the difference in the market impact between mailing a hard copy and emailing a PDF is slight.”)

¹⁴¹ 17 U.S.C. § 108(e) (2015).

¹⁴² Several commentators have specifically pointed to Section 108(h) as a potential partial solution, but without much further analysis. See Erez Rosenberg, *An Audio-Visual Notice of Use Database: A Solution to the Orphan Works Problem in the Internet Age*, 22 UCLA ENT. L. REV. 95, 108 (2014), <https://perma.cc/AZW5-4WVL>. See also, U.S. COPYRIGHT OFFICE, *supra* note 8, at 45–46.

¹⁴³ Family Entertainment and Copyright Act of 2005, Pub. L. No. 109-9, § 401, 119 Stat. 218, 226 (2005), <https://perma.cc/BZD8-YPS2>.

¹⁴⁴ 17 U.S.C. § 108(h).

¹⁴⁵ *Id.* As of September 2015, no rightsholder has ever filed a Section 108(h) notification of use since this provision was enacted in 1998. See Email from Abioye Oyewole, Attorney-Advisor, U.S. Copyright Office, to author (Sept. 28, 2015), <https://perma.cc/KQ6F-ZBVJ>.

Understanding most of the terms in 108(h) regarding searches and reasonable investigation can be resolved similarly to the analogous 108(e) terms. It's important to note, however, that the search required is likely broader; libraries and archives must look not only for whether a copy is available "at a reasonable price," but also whether it is subject to "normal commercial exploitation." Presumably, normal commercial exploitation would include things such as whether the work is available to be licensed, for example through the Copyright Clearance Center or through other aggregated sources of licensing, or if the work is currently performed or displayed commercially.

The other two significant limitations are that 108(h) only applies to published works, and that it only applies to works in the final 20 years of their copyright term. Determining publication status itself is difficult,¹⁴⁶ as is determining the time at which copyright expires.¹⁴⁷ Given these limitations, as the chart below illustrates, the most immediate application of Section 108(h) is to works published between 1923 and 1941. Many of those works, at least those published in the U.S., are likely in the public domain anyway for failure to comply to formalities applicable at the time.¹⁴⁸

¹⁴⁶ Deborah R. Gerhardt, *Copyright at the Museum: Using the Publication Doctrine to Free Art and History*, 61 J. COPYRIGHT SOC'Y U.S.A. 393 (2014), <https://perma.cc/ZS7C-4UKR> (discussing challenges of determining publication status).

¹⁴⁷ See MANNAPPERUMA ET AL., *supra* note 21.

¹⁴⁸ See William M. Landes & Richard A. Posner, *Indefinitely Renewable Copyright*, 70 UNIV. CHICAGO L. REV. 471, 499 (2003), <https://perma.cc/92CG-EJNS>.

Date of first publication	Ordinary date of copyright expiration	108(h) usage date
1923 to Dec. 31, 1977	95 years from the date of first publication	75 years from the date of first publication (as of this writing, works published before 1941)
Created and published Jan. 1, 1978 to present	70 years from death of author	50 years from death of author.
	For corporate works, the shorter of 95 years from publication or 120 years from creation	The year 2029 is the first year that 108(h) would be applicable for these works (for works whose authors died in 1978).
		For corporate works, the shorter of 75 years from first publication or 100 years from creation. For works published in 1978, the year 2054 would be the first year 108(h) would be applicable for these works.
Created before Jan 1,1978 but first published on or after Jan. 1, 1978	The greater of either December 31, 2047, or 70 years from death of the author.	The greater of December 31, 2027 or 50 years from the death of the author (2029 for authors who died in 1978).
	For corporate works, the shorter of 95 years from publication or 120 years from creation	For corporate works, the shorter of 75 years from publication or 100 years from creation. As of this writing, 108(h) would first apply to works created before 1916.

Table 1. Section 108(h) Dates Applicable

Finally, applying 108(h) to open access orphan works uses may also encounter some of the same “single copy” and “systematic copying” limits that inhibit use of Section 108(e).¹⁴⁹ It’s unclear whether Section 108(h) is subject to those same limitations. Section 108(h) seems intended to make works broadly available to the public, which to be meaningful would require making more than a single copy of a work. Further, it behaves differently from all other provisions granting rights under 108. For example, the provisions of Section 108(b)-108(d) allow, variously, for libraries to either “reproduce” or both “reproduce and distribute” works, while 108(g) limits “the rights of reproduction and distribution under this section” to not extend to systematic copying. Section 108(h), however, is broader in the exercise of rights it permits; libraries and archives are permitted under it to “reproduce, distribute, display, or perform in facsimile or digital form,” leaving some room to argue that the 108(g) limitation on reproduction and distribution does not apply or does

¹⁴⁹ 17 U.S.C. § 108(g).

not apply to all Section 108(h) uses. Should it not apply, 108(h) could play an important role in providing access to older, published works online.

Section 108 has significant untapped potential for serving as a legal justification for providing open access to orphan works. As the review above demonstrates, many of the terms of 108 are ambiguous and have not been defined either in the statute, in legislative history, or by the courts. This means that the meaning is uncertain, but it also presents an opportunity for libraries and archives to work within the statute to make reasonable interpretations that can both comply with the law and further their missions by providing open access to orphans in their collections. One example of a useful pattern for group action might be that spearheaded by NYU's Tisch School of the Arts, which brought together stakeholders to help answer how to apply Section 108's preservation and replacement provisions, Section 108(b) and (c), to VHS preservation. That project created a set of guidelines, *Copyright Guidelines: Video at Risk, Strategies for Preserving Commercial Video Collections in Libraries*, which details how those Section 108 provisions might apply to specific formats for specific preservation activities.¹⁵⁰

LACHES AND OTHER EQUITABLE DEFENSES

Some of the most interesting but under-developed defenses for open access use of orphan works are equitable in nature, often drawing on other areas of the law of generally applicability. Equity, broadly defined, allows for an interpretive stance that permits courts to avoid rigid application of the law when it would result in an injustice.¹⁵¹ Though copyright law is primarily defined in statute by the 1976 Copyright Act, courts have continued to apply uncodified doctrines to copyright uses,¹⁵² in some cases importing doctrines, such as “misuse,” that were previously unrecognized in copyright law.¹⁵³ Many other aspects of copyright require courts to define or even create tests that are not identified in the statute itself. In other cases, courts are asked to substantially define concepts that are mentioned only briefly in statute; courts fill those gaps with what some have termed “equitable interpretation” or “the equity of the statute.”¹⁵⁴ Fair use, for instance, has been de-

¹⁵⁰ See N.Y. UNIV. LIBRARIES, *supra* note 137.

¹⁵¹ See, e.g., 30A C.J.S. Equity § 2 (2015); ARISTOTLE, NICOMACHEAN ETHICS bk. V, at 99 (L. Brown ed., D. Ross trans., Oxford Univ. Press rev. ed. 2009) (c. 384 B.C.E.) (“The nature of the equitable is a correction of law where it is defective owing to its universality.”).

¹⁵² See Shyamkrishna Balganesh & Gideon Parchomovsky, *Equity's Unstated Domain: The Role of Equity in Shaping Copyright Law*, 163 U. PA. L. REV. 1859, 1860 (2015), <https://perma.cc/S56H-3ASA> (arguing that rules of equitable interpretation have been “deeply influential in the construction and operationalization of copyright doctrine.”).

¹⁵³ See *Lasercomb Am., Inc. v. Reynolds*, 911 F.2d 970, 977 (4th Cir. 1990), <https://casetext.com/case/lasercomb-america-inc-v-reynolds>.

¹⁵⁴ Balganesh & Parchomovsky, *supra* note 152.

scribed as an “equitable rule of reason,”¹⁵⁵ that courts should use to avoid rigid application of the copyright statute when that would fail to fulfill its purpose.¹⁵⁶ For more than a century, fair use remained an uncodified but critical part of U.S. copyright law.

Looking to equitable doctrines for relief in orphan works cases is natural, given the mismatch between goals of copyright and an orphan works situation that prevents beneficial public use of works without any benefit to owners. Although the letter of the Copyright Act may state that these works are broadly protected from use, that stance does not match up with the underlying policy of the Copyright Act. Register of Copyrights Maria Pallante explains that

We seem to have general agreement that in the case of a true orphan work, where there is no copyright owner and therefore no beneficiary of the copyright term, it does not further the objectives of the copyright system to deny use of the work, sometimes for decades. In other words, it is not good policy to protect a copyright when there is no evidence of a copyright owner.¹⁵⁷

The orphan works literature reviews a large number of potential equitable defenses for addressing uses of orphan works. Laches, equitable estoppel, and misuse have all been proposed as potential solutions, along with similar other defenses that are not strictly equitable but are similar in type, such as implied license, adverse possession, prescriptive easement, and abandonment, applied either through judicial extension of those doctrines or through explicit legislative action.¹⁵⁸

The equitable doctrines of most direct application to orphan works are those that focus on the passage of time, implicit consent of the rightsholder, or at least notice to the owner of the proposed use. These doctrines, applied broadly in other areas of the law, place weight on the basic idea that when owners sleep on their rights, especially in light of a user’s efforts to notify the owner about prospective uses over a long period of time, that should give the user a valid excuse for making the use. These general principles were recognized in some early copyright cases, such as in *Lawrence v. Dana* (1869), stating that

¹⁵⁵ H.R. REP. NO. 94-1476, at 65 (1976), <https://perma.cc/ZU93-JG87>.

¹⁵⁶ *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 577 (1994), <https://casetext.com/case/campbell-v-acuff-rose-music-inc> (quoting *Stewart v. Abend*, 495 U.S. 207, 236 (1990), <https://casetext.com/case/stewart-v-abend>).

¹⁵⁷ Maria A. Pallante, *Orphan Works & Mass Digitization: Obstacles and Opportunities*, 27 BERKELEY TECH. L.J. 1251, 1251 (2012), <https://perma.cc/59ET-UXDV>.

¹⁵⁸ See also *Orphan Works: Proposals for a Legislative Solution*, Hearing Before the Subcomm. on Intellectual Prop. of the S. Comm. on the Judiciary, 109th Cong. 2 (2006) (statement of Sen. Orrin G. Hatch, Chairman, Subcomm. on Intellectual Prop. of the S. Comm. on the Judiciary) (“In other areas of law, the rights of an owner are limited by things like adverse possession, salvage rights, found treasure doctrines, and abandonment theories. Many believe that a similar concept should be applied to copyright law.”), <https://perma.cc/68R9-TXJW>.

cases frequently arise in which, though there is some injury, yet equity will not interpose by injunction to prevent the further use, as where the amount copied is small and of little value, if there is no proof of bad motive, or where there is well-founded doubt as to the legal title, or where there has been long acquiescence in the infringement, or culpable laches and negligence in seeking redress, especially if it appear that the delay has misled the respondent.¹⁵⁹

Despite early recognition that these doctrines should apply, they have not been addressed much by the courts over the last century. In part, that may be because copyright terms were shorter and owners were required to communicate about their ownership claims by placing a notice on the work itself, and by filing a renewal registration with the Copyright Office for any protection beyond the initial 28 year term.¹⁶⁰ As discussed in Appendix A to this report, the elimination of those requirements has played a key role in exacerbating the orphan works problem.¹⁶¹ Those changes have also led some scholars and courts to conclude that, in general, a copyright owner may now “sit back and do nothing” with her works without repercussion.¹⁶² Others have questioned that position, and observe that with long copyright terms and no notice requirement for copyright, equitable defenses that rely on passage of time or acquiescence by the rightsholder may be more viable now, as the equities in information about ownership of works have shifted.¹⁶³ While an owner who “sits back and does nothing” is largely insulated from unauthorized uses of her works, the doctrines reviewed below illustrate how that statement of the rule may be incomplete.

THE COPYRIGHT ACT STATUTE OF LIMITATIONS

Before getting into equitable defenses themselves, it’s helpful to understand how another tool to limit old or stale actions, the Copyright Act’s statute of limitations, works and why it is mostly unaccommodating for online access projects. For copyright suits, Congress has provided that a plaintiff must file a copyright action “within three years after the claim accrued.”¹⁶⁴ As Justice Breyer

¹⁵⁹ *Lawrence v. Dana*, 15 F. Cas. 26, 61 (C.C.D. Mass. 1869), <https://perma.cc/G9SM-NGLK>.

¹⁶⁰ See Jessica Litman, *What Notice Did*, 96 B.U. L. REV. (forthcoming 2016), <https://perma.cc/Q7K7-MCLH> (highlighting the importance of the notice requirement on copyright ownership).

¹⁶¹ See also Pamela Samuelson, *Notice Failures Arising From Copyright Duration Rules*, 96 B.U. L. REV. (forthcoming 2016), <https://perma.cc/CMW8-KS3L> (“The most visible copyright notice failure that has been caused, in no small part, by the 1976 Act’s duration provisions is the so-called orphan work problem.”).

¹⁶² *Authors Guild v. Google Inc.*, 770 F. Supp. 2d 666, 669–70 (S.D.N.Y. 2011), <https://casetext.com/case/guild-v-google-inc> (“[T]he law of the United States is a copyright owner may sit back, do nothing and enjoy his property rights untrammelled by others exploiting his works without permission.”) (quoting David Nimmer as counsel for Amazon).

¹⁶³ See Brauneis, *supra* note 1, at 340; see also Ariel Katz, *The Orphans, The Market, And The Copyright Dogma: A Modest Solution for A Grand Problem*, 27 BERKELEY TECH. L.J. 1285, 1309–14 (2013), <https://perma.cc/TU8D-PYCT>.

¹⁶⁴ 17 U.S.C. § 507(b) (2015), <https://perma.cc/BK8Y-TAU6> (limitations on civil actions).

recently observed, however, “[t]he 3-year limitations period under the Copyright Act may seem brief, but it is not.”¹⁶⁵ This is for two reasons. One, claims do not always immediately ‘accrue’ when the infringing action occurs. While some jurisdictions have adopted the rule that a claim accrues when the plaintiff first was able to bring suit (i.e., when the infringing act first occurred), in nine Circuits the “discovery rule” applies, which states that a copyright claim accrues when the “the plaintiff discovers, or with due diligence should have discovered, the injury that forms the basis for the claim.”¹⁶⁶

Second, whenever the claim accrues, all circuits have adopted two adjunct rules, the “continuing violation” and the “separate accrual” rules, that together convert the statute of limitations into a rolling limitations period for many types of uses. For continuing violations, “where a plaintiff . . . challenges . . . an unlawful practice that continues into the limitations period, the complaint is timely when it is filed within [the limitations period, measured from] the last asserted occurrence of that practice.”¹⁶⁷ For separate accrual, “when a defendant commits successive violations, the statute of limitations runs separately from each violation. Each time an infringing work is reproduced or distributed, the infringer commits a new wrong. Each wrong gives rise to a discrete ‘claim’ that ‘accrue[s]’ at the time the wrong occurs. In short, each infringing act starts a new limitations period.”¹⁶⁸

Applied to a variety of traditional uses of copyrighted works, such as creation and distribution of derivative works such as a movie based on a book, both rules are problematic for users. Each new sale of a copy of the work is a “distribution” of the work and therefore a new and separate infringing act to restart the three-year limitations clock. Damages within those last three years are recoverable by plaintiffs. For “continuing violations,” the limitations period is extended to the very last day on which the work was infringed.

For online open access to orphan works, the separate accrual and continuing violation rules are even more problematic for digitizers. Simple maintenance of preservation copies requires creating multiple new copies, each a reproduction that would restart the limitations clock. Similarly, every new download or view of the work online would constitute a new public distribution or public

¹⁶⁵ *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 134 S. Ct. 1962, 1979 (2014) (Breyer, J., dissenting), <https://casetext.com/case/petrella-v-metro-goldwyn-mayer-inc>.

¹⁶⁶ See *Polar Bear Prods. v. Timex Corp.*, 384 F.3d 700, 707 (9th Cir. 2004), <https://casetext.com/case/polar-bear-prod-v-timex-corp-03-35188-9th-cir-9-3-2004>. Others Circuits have stated that something short of full discovery, “storm warnings” of suspicious conduct, may be sufficient to put plaintiffs on notice of possible infringement and to start the statute of limitations three-year period. See *William A. Graham Co. v. Haughey*, 568 F.3d 425, 438 (3d Cir. 2009), <https://casetext.com/case/william-a-graham-co-v-haughey-3>.

¹⁶⁷ *Petrella*, 134 S. Ct. at 1969 (quoting *Havens Realty Corp. v. Coleman*, 455 U.S. 363, 380–81 (1982), <https://casetext.com/case/havens-realty-corp-v-coleman>).

¹⁶⁸ *Id.*

display of the work,¹⁶⁹ also resetting the statutory limitations period to the last date on which the work was distributed.

LACHES

Laches also limits the ability of plaintiffs to bring old or stale actions, though its purpose is different and its application more flexible than the Copyright Act's statute of limitation. The doctrine of laches is an equitable doctrine used to limit actions by plaintiffs who have slept on their rights, to the detriment of the defendant. The basic rationale for applying laches in copyright suits was explained by Judge Learned Hand:

"it is inequitable for the owner of a copyright, with full notice of an intended infringement, to stand inactive while the proposed infringer spends large sums of money in its exploitation, and to intervene only when his speculation has proved a success. Delay under such circumstances allows the owner to speculate without risk with the other's money; he cannot possibly lose, and he may win."¹⁷⁰

Several commenters have suggested that laches may apply for orphan works uses. Professor Lydia Loren, for example, argues that the "[l]aches doctrines could come into play when a work is identified as a hostage [orphan] work and made available in a publicly accessible and searchable repository and no copyright owner has surfaced. A copyright owner who waits to surface until someone else makes a new derivative work should trigger a strong laches defense."¹⁷¹ Other commenters have briefly touched on using laches for orphan works, but have offered little analysis of how it would apply in practice.¹⁷²

To assert laches, a defendant must show two things: (1) unreasonable delay, and (2) prejudice to itself.¹⁷³ The relevant period for delay is typically "from when the plaintiff knew (or should have

¹⁶⁹ But see *Hotaling v. Church of Jesus Christ of Latter-Day Saints*, 118 F.3d 199, 203 (4th Cir. 1997), <https://casetext.com/case/hotaling-v-church-jesus-christ-latter-day> (suggesting that merely making the work available to the public is a distribution). See also *infra* notes 420–21 and accompanying text.

¹⁷⁰ *Haas v. Leo Feist, Inc.*, 234 F. 105, 108 (S.D.N.Y. 1916), <https://perma.cc/RTS4-VJKS>.

¹⁷¹ Lydia Pallas Loren, *Abandoning the Orphans: An Open Access Approach to Hostage Works*, 27 BERKELEY TECH. L.J. 1431, 1469 (2012), <https://perma.cc/XY5W-39PL>.

¹⁷² See, e.g., Aaron, *supra* note 120, at 1346 (suggesting that "If HathiTrust were to post notice of its intent to provide access to a work for a sufficient period of time, widely publicize this list, and then rely on the silence of the authors included in the notice, the two elements [of laches] would arguably be met. The authors would have constructive notice of the proposed use, making a sufficiently long delay inexcusable. The library would then be prejudiced by the author's delay, because it would materially change its position in reliance."); Katz, *supra* note 163, at 1316 (briefly suggesting application of laches in limiting remedies available against orphan works users).

¹⁷³ See *Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 950–51 (9th Cir. 2001), <https://casetext.com/case/danjaq-llc-v-sony-corporation>.

known) of the allegedly infringing conduct, until the initiation of the lawsuit in which the defendant seeks to counterpose the laches defense.”¹⁷⁴ For “prejudice,” courts have weighed a variety of factors, including the time, investment, and expense of the defendant in making use of the work.¹⁷⁵ A more descriptive and generalized explanation, as the Sixth Circuit explains, is that “[a] party asserting laches must show: (1) lack of diligence by the party against whom the defense is asserted, and (2) prejudice to the party asserting it.”¹⁷⁶ Thus, as courts in that Circuit have explained, “laches does not result from a mere lapse of time but from the fact that, during the lapse of time, changed circumstances inequitably work to the disadvantage or prejudice of another if the claim is now to be enforced. By his negligent delay, the plaintiff may have misled the defendant or others into acting on the assumption that the plaintiff has abandoned his claim, or that he acquiesces in the situation, or changed circumstances may make it more difficult to defend against the claim.”¹⁷⁷

Laches is perhaps the most well understood of the equitable doctrines discussed here, in part because the Supreme Court recently addressed laches in *Petrella v. Metro-Goldwyn-Mayer, Inc.*¹⁷⁸ *Petrella* was about a dispute over *Raging Bull*, the critically acclaimed boxing film produced by Metro-Goldwyn-Mayer, Inc. (MGM) and released in 1980. The move was based in part on a 1963 screenplay, the rights to which were initially owned jointly by boxing champion Jake LaMotta (also the subject of the film) and his friend Frank Petrella, who helped him write the screenplay.¹⁷⁹

Though MGM obtained an initial assignment of rights in the 1970s, rights in the screenplay reverted to Petrella’s daughter (Frank died in 1981) upon her filing a renewal registration in 1991. Seven years later, in 1998, Petrella, through her attorney, informed MGM that she had obtained rights in the screenplay, but she took no action at the time. Then, eleven years after that, in 2009, Petrella filed an infringement suit against MGM, seeking injunctive and monetary relief for MGM’s continued distribution and sale of the film. MGM argued that laches barred Petrella’s relief; Petrella had delayed in bringing suit and MGM had been harmed because it had invested heavily in distribution and sale of the film. Petrella argued, among other things, that the laches defense was unavailable because the Copyright Act’s three-year statute of limitations was the sole mechanism for ensuring that suits are brought in a timely manner.

¹⁷⁴ *Id.* at 952.

¹⁷⁵ *See, e.g., id.*

¹⁷⁶ *Chirco v. Crosswinds Cmtys., Inc.*, 474 F.3d 227, 231 (6th Cir. 2007) (citations and quotations omitted), <https://casetext.com/case/chirco-v-crosswinds>.

¹⁷⁷ *Id.*

¹⁷⁸ *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 134 S. Ct. 1962 (2014), <https://casetext.com/case/petrella-v-metro-goldwyn-mayer-inc>.

¹⁷⁹ *Id.* at 1970–71.

The Supreme Court agreed with Petrella, holding that laches cannot act as a complete bar to Petrella's copyright infringement suit because it was brought within the three-year statutory period.¹⁸⁰ Justice Ginsburg, writing for the majority, explained, that "Congress' time provisions secured to authors a copyright term of long duration, and a right to sue for infringement occurring no more than three years back from the time of suit. That regime leaves little place for a doctrine that would further limit the timeliness of a copyright owner's suit;"¹⁸¹ "laches cannot be invoked to bar legal relief."¹⁸²

Application of laches and other similar equitable doctrines in copyright cases is not, however, a dead letter. The Court was careful to carve out several limits on its broader holding. For one, the majority pointed out that equitable doctrines not based on time limitations may still apply: "when a copyright owner engaged in intentionally misleading representations concerning his abstention from suit and the infringer detrimentally relies on the copyright owner's deception, the doctrine of estoppel may bar the copyright owner's claims completely."¹⁸³ Importantly, "[d]elay may be involved, but it is not an element of the defense," as contrasted to laches, for which delay is an essential element.¹⁸⁴

Second, the Court also stated that "[in] extraordinary circumstances . . . the consequences of delay in commencing suit may be of sufficient magnitude to warrant at the very outset of litigation, curtailment of relief equitably available."¹⁸⁵ The Court cited two example cases of "extraordinary circumstances" that are worth discussing, *Chirco v Crosswinds Communities, Inc.*¹⁸⁶ and *New Era Publications International v. Henry Holt & Co.*¹⁸⁷ Both involved situations which would have worked an "unjust hardship upon the defendants and third parties" or required "total destruction of the work."¹⁸⁸

Chirco involved a defendant who was alleged to have used without permission architectural designs in the design and construction of a housing development.¹⁸⁹ The court concluded that the plaintiff

¹⁸⁰ *Id.* at 1978.

¹⁸¹ *Id.* at 1977.

¹⁸² *Id.* at 1974.

¹⁸³ *Id.*

¹⁸⁴ *Id.* at 1977.

¹⁸⁵ *Id.*

¹⁸⁶ *Chirco v. Crosswinds Cmtys., Inc.*, 474 F.3d 227 (6th Cir. 2007), <https://casetext.com/case/chirco-v-crosswinds>.

¹⁸⁷ *New Era Publ'ns Int'l, ApS v. Henry Holt & Co.*, 873 F.2d 576 (2d Cir. 1989), <https://casetext.com/case/new-era-publications-intern-v-henry-holt-co>.

¹⁸⁸ *Petrella*, 134 S. Ct at 1977.

¹⁸⁹ *Chirco*, 474 F.3d at 235–36.

likely had actual knowledge or constructive knowledge of the defendant's use, which thus triggered the start of the delay period. The court explained that "the developments being marketed by the plaintiffs and by the defendants were located in the general vicinity of Detroit; consequently, arduous and expensive travel would not have been necessary to observe the activities that were being undertaken." Despite those and other warnings that indicated actual knowledge, the court explained, "[s]till, for 18 more months, Chirco . . . took no overt steps to halt the defendants' construction project. . . ."¹⁹⁰ Ultimately, the plaintiff didn't bring suit until over 168 units were built and 109 of them occupied. The court in *Chirco* explained that "[M]ore than two-and-one-half years after having plans for [defendant's project] in their files, did the plaintiffs see fit to file their copyright infringement suit, requesting not only money damages and an injunction against future infringement, but also the destruction of "all architectural works which have been built using plans which infringe the Copyrighted Materials." "[S]uch a request smacks of [] inequity . . . [and] plaintiffs' inordinately lengthy delay in filing this suit makes any effort to procure the destruction of buildings already occupied, sold, or substantially constructed unduly prejudicial to the defendants."¹⁹¹

In the second "extraordinary" case, *New Era Publications*, the plaintiff requested less dramatic but still destructive relief. In that case, *New Era Publications*, holder of copyrights in several of L. Ron Hubbard's works, sought court-ordered destruction of thousands of copies of a book produced by Henry Holt & Co., which had incorporated several of Hubbard's unpublished writings. New Era knew of the impending publication of the book in 1986, but did not file suit until 1988. The Second Circuit, upholding in part the lower court, noted that "If New Era promptly had sought an adjudication of its rights, the book might have been changed at minimal cost while there still was an opportunity to do so. At this point, however, it appears that a permanent injunction would result in the total destruction of the work since it is not economically feasible to reprint the book after deletion of the infringing material. Such severe prejudice, coupled with the unconscionable delay already described, mandates denial of the injunction for laches and relegation of New Era to its damages remedy."¹⁹²

Finally, even in the absence of those extraordinary circumstances, the Supreme Court in *Petrella* instructed that the lower court should consider delay when it assesses damages and injunctive relief. The Court instructed that the district court should consider factors such as

MGM's early knowledge of Petrella's claims, the protection MGM might have achieved through pursuit of a declaratory judgment action, the extent to which MGM's investment was protected by the separate-accrual rule, the court's authority

¹⁹⁰ *Id.*

¹⁹¹ *Id.*

¹⁹² *New Era Publ'ns Int'l*, ApS, 873 F.2d at 584–85.

to order injunctive relief ‘on such terms as it may deem reasonable,’ and any other considerations that would justify adjusting injunctive relief or profits.¹⁹³

Thus, delays in suits can and should effect the calculation of damages. Several lower courts had already so concluded, such as the Eleventh Circuit, which had held (though probably subject to some modification after *Petrella*) that “The effect of laches is merely to withhold damages for infringement which occurred prior to the filing of the suit,” and that it should not be used to bar prospective relief, such as injunctive relief.¹⁹⁴

It is too early to tell how lower courts will respond to *Petrella* and the limitations it places on laches and other equitable defenses. Although *Petrella* limited use of the doctrine, it also solidified its availability in some circumstances and made clear that the delay in general should be considered when assessing remedies.¹⁹⁵

For applying laches to orphan works’ uses, especially online uses, the initial reaction to *Petrella* was that it would negatively impact orphan works’ users,¹⁹⁶ primarily because such uses will almost always fall within the statutory limitations period. Nevertheless, laches remains a viable defense in those extraordinary cases and a tool to minimize negative remedies against defendants.

Applying the two elements of laches, 1) unreasonable delay, and 2) prejudice,¹⁹⁷ to an open access orphan work’s use, a key issue is determining whether there was a delay from when the plaintiff knew or should have known about the use. How does one devise a way to notify rightsholders who are not identifiable or locatable? As one commenter has suggested, merely publicizing an orphan works project for a period of time may do enough to inform those rightsholders.¹⁹⁸ The more public the notice and the longer it is publicized, the better. Other options might be to send targeted

¹⁹³ *Petrella*, 134 S. Ct. at 1978-79.

¹⁹⁴ *Peter Letterese And Assocs., Inc. v. World Inst. Of Scientology Enters.*, 533 F.3d 1287, 1321 (11th Cir. 2008), <https://casetext.com/case/peter-letterese-assoc-v-world-inst-of-scient> (“laches serves as a bar only to the recovery of retrospective damages, not to prospective relief.”).

¹⁹⁵ This is particularly important for users in jurisdictions that previously took the view that delay of the type assessed in a laches defense was entirely precluded in light of the Copyright Act’s statute of limitations. See *Lyons P’ship, L.P. v. Morris Costumes, Inc.*, 243 F.3d 789, 797 (4th Cir. 2001), <https://casetext.com/case/lyons-partnership-lp-v-morris-costumes>.

¹⁹⁶ See Jordyn Ostroff, *Petrella v. Metro-Goldwyn-Mayer, Inc.: Is Equity in Copyright Law Down for the Count?*, 30 BERKELEY TECH. L.J. 965, 983 (2015), <https://perma.cc/PNE7-BKEU> (“In the wake of the *Petrella* decision, would-be users of orphan works must also fear the threat of unknown and unfindable owners appearing late in the game, after investments have been made and works produced, to bring lawsuits.”).

¹⁹⁷ See *Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 950–51 (9th Cir. 2001), <https://casetext.com/case/danjaq-llc-v-sony-corporation>.

¹⁹⁸ See Aaron, *supra* note 113.

communications to groups that the digitizer might suspect have contact with rightsholders. This might include collective rights organizations or publishers. Another more targeted strategy would be to send (and document sending) letters or other communications to individuals or organizations who are known to be associated with particular works.

Another interesting option for informing owners is to file a notice with the Copyright Office. The Copyright Act provides that “Any . . . document pertaining to a copyright may be recorded in the Copyright Office if the document filed for recordation bears the actual signature of the person who executed it”¹⁹⁹ A notice about proposed uses of orphan works is certainly “pertaining to a copyright” and therefore the Copyright Office would allow it to be filed.²⁰⁰

Recording with the Copyright Office a list of orphan works has two benefits. First, it is an additional way to put owners on actual notice, should they be active rightsholders who are using the Copyright Office registration and recordation catalog. Second, and what makes the Copyright Office recordation particularly interesting, is that the Copyright Act specifically provides that “recordation of a document in the Copyright Office gives all persons constructive notice of the facts stated in the recorded document.”²⁰¹

To achieve constructive notice by recordation, the statute states that two criteria must be met: 1) “the document, or material attached to it, specifically identifies the work to which it pertains so that, after the document is indexed by the Register of Copyrights, it would be revealed by a reasonable search under the title or registration number of the work;” and 2) “registration has been made for the work.”²⁰² Those two limitations mean that constructive notice through recordation would likely only be possible for works that have a title. So, for example, unsigned photographs may be ineligible because they cannot reasonably be found by searching by title. Further, constructive notice will only be effective if “registration has been made for the work.” This means that notice by recordation is limited mostly to works that were once commercially valuable enough for rightsholders to register them.

¹⁹⁹ 17 U.S.C. § 205 (a) (2015), <https://perma.cc/BK8Y-TAU6>.

²⁰⁰ The Copyright Office has defined this term to mean “a document that has a direct or indirect relationship to the existence, scope, duration, or identification of a copyright, or a direct or indirect relationship to the ownership, division, allocation, licensing, transfer, or exercise of rights under a copyright. These relationships may be past, present, future, or potential.” U.S. COPYRIGHT OFFICE, COMPENDIUM OF U.S. COPYRIGHT OFFICE PRACTICES § 2309.2 (3d ed. 2014), <https://perma.cc/W9XT-M3KV> (“What is a Document Pertaining to Copyright?”). A notification about “potential” “exercise of rights” by an orphan work’s users would satisfy the Office’s requirements for filing so long as it met the Office’s other minimal requirements, that it is : “accompanied by the fee set forth in [in the regulations], and if the requirements . . . with respect to signatures, completeness, and legibility are met.” 37 C.F.R. § 201.4(c) (2015), <https://perma.cc/JN3E-PWKS>.

²⁰¹ 37 C.F.R. § 205(c), <https://perma.cc/JN3E-PWKS>.

²⁰² 17 U.S.C. § 205(a), <https://perma.cc/BK8Y-TAU6>.

Another hurdle to Copyright Office recordation is the cost. The current recordation fee is \$105 per recordation filing plus \$30 per group of ten titles, but worked out across large numbers of works, those fees may be manageable for some projects. For example, registration of 1000 titles would incur a fee of \$3605, or roughly \$3.60 per title.²⁰³ For special collection digitization projects involving thousands of works, many of which are likely unregistered and would be difficult to index and search in Copyright Office systems, recordation may not be a cost-effective strategy. But, for digitizers seeking to make use of a limited number of works that are likely to be registered already (e.g. a selected set of published books from a library's core collection) the extra fees to record a document pertaining to those works may be worthwhile to ensure the broadest and most effective notification to rightsholders about proposed uses of the work.

Finally, in addition to those showing notice and unreasonable delay, a laches defense required a showing of harm to the party who relied on the delay. For orphan works projects, examples of harm might be shown by demonstrating investment in technical infrastructure to scan and host digital copies of works. Another common example might be harm caused if a significant portion of a collection would have to be removed, thus damaging the overall usefulness of the collection.

EQUITABLE ESTOPPEL

A second equitable defense for orphan works is equitable estoppel. Equitable estoppel applies where “the enforcement of the rights of one party would work an injustice upon the other party due to the latter's justifiable reliance upon the former's words or conduct.”²⁰⁴ Equitable estoppel is an affirmative defense that can be used to bar all relief, including monetary and injunctive relief.²⁰⁵ As the court in *Petrella* explained, “the test for estoppel is more exacting than the test for laches, and the two defenses are differently oriented. The gravamen of estoppel, a defense long recognized as available in actions at law . . . is misleading and consequent loss.”²⁰⁶ Equitable estoppel may be asserted even within the statutory three-year limitations period.²⁰⁷

The elements of estoppel vary in their precise formulation from jurisdiction to jurisdiction, but the basic rule is that “a party can be estopped from pursuing a claim where: (1) the party makes a misrepresentation of fact to another party with reason to believe that the other party will rely on it; (2)

²⁰³ See U.S. COPYRIGHT OFFICE, CALCULATING FEES FOR RECORDING DOCUMENTS AND NOTICES OF TERMINATION IN THE COPYRIGHT OFFICE (Apr. 2014), <https://perma.cc/QHS4-9XJ2>.

²⁰⁴ *Marvel Characters, Inc. v. Simon*, 310 F.3d 280, 292 (2d Cir. 2002), <https://casetext.com/case/marvel-characters-inc-v-simon-2>.

²⁰⁵ *Petrella v. Metro-Goldwyn-Mayer, Inc.*, 134 S. Ct. 1962, 1977 (2014), <https://casetext.com/case/petrella-v-metro-goldwyn-mayer-inc> (“The doctrine of estoppel may bar the copyright owner's claims completely, eliminating all potential remedies.”).

²⁰⁶ *Id.*

²⁰⁷ *Id.*

the other party relies on the misrepresentation to his detriment.”²⁰⁸ For misrepresentation, “[s]ilence alone is rarely a basis for finding equitable estoppel, but ‘where a party has a legal duty to speak, silence can constitute an affirmative ‘misrepresentation.’ ”²⁰⁹ So, for example, one court has held that equitable estoppel did not apply because, although “a holding out may be accomplished by silence and inaction,” that a copyright owner had clearly printed the required (at the time) notice on its work “in strict accordance with statutory requirements” was enough action to make clear that it intended to assert all rights.²¹⁰ To the second factor, the defendant’s reliance on misrepresentation, courts have held that such reliance must be reasonable and that “[r]eliance is not justifiable if the party invoking estoppel ‘had the means by which with reasonable diligence he could acquire the knowledge so that it would be negligence on his part to remain ignorant by not using those means.’ ”²¹¹

Successful equitable estoppel defenses in copyright suits are rare,²¹² in large part because the defense requires hard-to-obtain evidence about the intent on the part of the rightsholder. For orphan works, at least one observer has suggested that equitable estoppel may be a useful approach,²¹³ but a closer examination of the defense’s elements suggests that it may only be helpful in a handful of unique situations. These would primarily include cases where there is evidence of an intent on the part of the copyright holder to permit use of the work. An example might include works long-ago donated to a library or archives by a now-unlocatable owner who gave the works with the express intent that they be used by researchers. Even in the absence of a formal license or grant of rights to the library, the representation that the works are for research may be enough to justify reliance on that expressed intent to reformat the work into digital formats now commonly used by researchers.

²⁰⁸ *Marvel Characters, Inc.*, 310 F.3d at 292. The Ninth Circuit, for example, spells out the requirements more specifically, requiring that “(1) The party to be estopped must know the facts; (2) he must intend that his conduct shall be acted on or must so act that the party asserting the estoppel has a right to believe it is so intended; (3) the latter must be ignorant of the true facts; and (4) he must rely on the former’s conduct to his injury.” *Hampton v. Paramount Pictures Corp.*, 279 F.2d 100, 104 (9th Cir. 1960), <https://casetext.com/case/hampton-v-paramount-pictures-corporation>.

²⁰⁹ *Associated Press v. Meltwater U.S. Holdings, Inc.*, 931 F. Supp. 2d 537, 565 (S.D.N.Y. 2013), <https://casetext.com/case/associated-press-v-meltwater-us-holdings-inc> (citing *Kosakow v. New Rochelle Radiology Assocs., P.C.*, 274 F.3d 706, 725 (2d Cir. 2001), <https://casetext.com/case/kosakow-v-new-rochelle-radiology-associates>).

²¹⁰ *Hampton*, 279 F.2d at 104.

²¹¹ *In re Becker*, 407 F.3d 89, 99 (2d Cir. 2005), <https://casetext.com/case/in-re-becker4>.

²¹² See 6 WILLIAM F. PATRY, PATRY ON COPYRIGHT § 20:58 (2015) (listing cases).

²¹³ Orit Fischman Afori, *Flexible Remedies as A Means to Counteract Failures in Copyright Law*, 29 CARDOZO ARTS & ENT. L.J. 1, 34 (2011), <https://perma.cc/6HXJ-38BJ> (“By applying the doctrine of equitable estoppel to cases where the owner of an orphan work ultimately makes himself known, a court could grant a monetary remedy and deny an injunction on the grounds that the defendant acted reasonably in relying on the absence of the owner.”).

Another example, which may also raise an implied license defense discussed below, would be the creation of copies of content that was intentionally and openly shared by the creator online. For both of those examples, a digitizer asserting equitable estoppel would also need to show reasonable reliance, which may assess whether the digitizer could better determine the rightsholder's intent through "reasonable diligence." Thus, a digitizer may need to conduct a search for rightsholders or make other efforts to communicate with them (e.g., through publicity of the use, similar to what might be used with a laches defense).

IMPLIED LICENSE

Several commenters have discussed implied license as possibly applicable to orphan works uses.²¹⁴ Like equitable estoppel, implied license looks to whether there was some expression of implication of intent on the part of the rightsholder to allow a given use. The party asserting the license bears the burden of proving it exists,²¹⁵ and, as one court recently observed, "that burden is not easy to meet."²¹⁶ "[I]mplied licenses are [not] an everyday occurrence in copyright matters. . . implied licenses are found only in narrow circumstances."²¹⁷ In general, an implied license not accompanied by payment or other consideration is revocable.²¹⁸

An "implied license" is an affirmative defense that typically requires the asserting party to show 1) that the licensee requested the work, 2) that the creator or rightsholder made and delivered that work, and 3) that the creator or rightsholder intended that the licensee would copy and make use of the work.²¹⁹ Those factors, however, are somewhat malleable; an implied license may exist "in other circumstances where the totality of the parties' conduct supported such an outcome."²²⁰ The

²¹⁴ Bingbin Lu, *The Orphan Works Copyright Issue: Suggestions for International Response*, 60 J. COPYRIGHT SOC'Y U.S.A. 701, 724 (2013), <https://perma.cc/S46B-6EXP>; See also Kevin J. Hickey, *Consent, User Reliance, and Fair Use*, 16 YALE J. L. & TECH. 397, 440 (2014), <https://perma.cc/Z386-JMKG> (discussing implied consent, impossibility, and application of the doctrine of those concepts through the fair use doctrine to orphan works).

²¹⁵ *Bourne v. Walt Disney Co.*, 68 F.3d 621, 631 (2d Cir. 1995), <https://casetext.com/case/bourne-v-walt-disney-co>.

²¹⁶ *Flo & Eddie, Inc. v. Sirius XM Radio Inc.*, 80 F. Supp. 3d 535, 539 (S.D.N.Y. 2015), <https://casetext.com/case/flo-eddie-inc-v-sirius-xm-radio-inc>.

²¹⁷ *Estate of Hevia v. Portrio Corp.*, 602 F.3d 34, 41 (1st Cir. 2010), <https://casetext.com/case/estate-of-hevia-v-portrio-corp>.

²¹⁸ See 2 PATRY, *supra* note 212 § 5:132 (2015) (explaining the need to, in some cases, examine state law).

²¹⁹ See *Nelson-Salabes, Inc. v. Morningside Dev., LLC*, 284 F.3d 505, 514 (4th Cir. 2002), <https://casetext.com/case/nelson-salabes-v-morningside-development>; *Estate of Hevia*, 602 F.3d at 41; *SmithKline Beecham Consumer Healthcare, L.P. v. Watson Pharm., Inc.*, 211 F.3d 21, 25 (2d Cir. 2000), <https://casetext.com/case/smithkline-beecham-cons-hc-v-watson-pharm> (quoting *Effects Assocs., Inc. v. Cohen*, 908 F.2d 555, 558 (9th Cir.1990), <https://casetext.com/case/effects-associates-inc-v-cohen>).

²²⁰ *Baisden v. I'm Ready Prods., Inc.*, 693 F.3d 491, 501 (5th Cir. 2012), <https://casetext.com/case/baisden-v-im-ready-prods-inc>.

First Circuit has explained that, “the touchstone for finding an implied license . . . is intent. We ask whether the totality of the parties’ conduct indicates an intent to grant such permission.”²²¹

To determine that intent, courts are free to look at statements of the parties as well as, or in some cases especially, at their conduct. Courts have held that merely handing over physical copies of a work does not manifest the necessary intent,²²² but that in some cases, such as with purchasing a CD containing software, transfer does convey an implied license to make reproductions to make use of the work, e.g., by making internal RAM copies of software on a computer,²²³ but only for that limited purpose.

Mere silence and delay is typically not enough, but in some cases “[c]onsent for an implied license may take the form of permission or lack of objection.”²²⁴ *Field v. Google Inc.*, is among the most relevant cases illustrating this. Field, an author of copyrighted works made available to the public on his webpage, sued Google for indexing and saving cached copies of his website. Google asserted, among other things, that Field had granted an implied license to Google to index and archive his pages because Field knew and chose not to use industry-standard metatags that would have instructed Google’s crawlers to ignore his pages. The court explained that “[c]onsent . . . may be inferred based on silence where the copyright holder knows of the use and encourages it,”²²⁵ and went on to analyze Field’s conduct in that light:

A Web site publisher can instruct a search engine not to cache the publisher's Web site by using a “no-archive” meta-tag . . . the “no-archive” meta-tag is a highly publicized and well-known industry standard. Field concedes he was aware of these industry standard mechanisms, and knew that the presence of a “no archive” meta-tag on the pages of his Web site would have informed Google not to display “Cached” links to his pages. Despite this knowledge, Field chose not to include the no-archive meta-tag on the pages of his site. He did so, knowing that Google would interpret the absence of the meta-tag as permission to allow access to the pages via “Cached” links. Thus, with knowledge of how Google would use the copyrighted works he placed on those pages, and with knowledge that he could prevent such use, Field

²²¹ *Estate of Hevia*, 602 F.3d at 41.

²²² See *Effects Assocs., Inc.* 908 F.2d at 558. But see *Hunn v. Dan Wilson Homes, Inc.*, 789 F.3d 573, 587 (5th Cir. 2015), <https://casetext.com/case/hunn-v-dan-wilson-homes-inc>.

²²³ *Holtzbrinck Pub. Holdings, L.P. v. Vyne Commc’ns, Inc.*, No. 97 CIV. 1082 (KTD), 2000 WL 502860, at *5 (S.D.N.Y. Apr. 26, 2000).

²²⁴ *Baisden*, 693 F.3d at 500–01.,

²²⁵ *Field v. Google Inc.*, 412 F. Supp. 2d 1106, 1116 (D. Nev. 2006), <https://casetext.com/case/field-v-google-inc>.

instead made a conscious decision to permit it. His conduct is reasonably interpreted as the grant of a license to Google for that use.²²⁶

Applying implied license to orphan works, one straightforward application is web archiving, preserving and providing access to webpages while respecting rightsholders' choices to use "no-archive" tags when those sites are collected. Those uses would seem to fall squarely within the activities that courts have already approved of in *Field* and elsewhere.

Beyond web archiving, several commenters have suggested that the law of implied license is ripe for expansion, particularly to deal with reusing user-generated content online.²²⁷ Digitizers might think more broadly about how to assess whether a particular use was likely consented to by the rightsholder. Such considerations might focus on the type of the work and how it was distributed. For example, a digitizer considering a political poster freely distributed in print with the intent of achieving wide circulation might reasonably conclude that the rightsholder has consented to further distribution online. Digitizers might also consider "industry standards," like those that played a key role in *Field*. One author suggests the creation of a public registry of orphan works, which could in time be considered a standard, so that rightsholders can expect that works listed on that registry will be used by digitizers. Like the website owner in *Field*, if a rightsholder knew that its work was listed on that registry and did nothing, a digitizer could infer consent "based on silence where the copyright holder knows of the use and encourages it."²²⁸ Similarly, a digitizer who engages in efforts to notify the rightsholders, using strategies similar to those that might be used to support a laches defense, such as publicity campaigns, sending targeted notices, or recording documents with the Copyright Office, might be able to argue similarly.

COPYRIGHT MISUSE

Copyright misuse is an equitable defense, imported from patent law, that allows defendants to challenge copyright owners who assert rights beyond those which the law has properly granted them. The doctrine was only recently adapted by courts in copyright cases and may have some ap-

²²⁶ *Field*, 412 F. Supp. 2d at 1116. See also *Parker v. Yahoo!, Inc.*, No. CIV.A. 07-2757, at *9-10 (E.D. Pa. Sept. 25, 2008), <https://casetext.com/case/parker-v-yahoo> (concluding similarly). But see *Associated Press v. Meltwater U.S. Holdings, Inc.*, 931 F. Supp. 2d 537, 561 (S.D.N.Y. 2013), <https://casetext.com/case/associated-press-v-meltwater-us-holdings-inc>.

²²⁷ Steven Hetcher, *User-Generated Content and the Future of Copyright: Part Two-Agreements Between Users and Mega-Sites*, 24 SANTA CLARA COMPUTER & HIGH TECH. L.J. 829, 859 (2008), <https://perma.cc/ZN6Q-W8WR>; see also Orit Fischman Afori, *Implied License: An Emerging New Standard in Copyright Law*, 25 SANTA CLARA COMPUTER & HIGH TECH. L.J. 275, 325 (2009), <https://perma.cc/9NS3-A375>; Michael Grynberg, *Property Is A Two-Way Street: Personal Copyright Use and Implied Authorization*, 79 FORDHAM L. REV. 435, 495 (2010), <https://perma.cc/FSF5-R93G>.

²²⁸ *Field*, 412 F. Supp. 2d at 1116.

plicability to orphan works-type situations, though how it would be used is not entirely clear.²²⁹ The Fourth Circuit in *Lasercomb America, Inc., v. Reynolds*, quoting extensively from the seminal patent misuse case, explains the doctrine's purpose:

The grant to the [author] of the special privilege of a [copyright] carries out a public policy adopted by the Constitution and laws of the United States, "to promote the Progress of Science and useful Arts, by securing for limited Times to [authors] ... the exclusive Right ..." to their ["original" works]. United States Constitution, Art. I, § 8, cl. 8, [17 U.S.C.A. § 102]. But the public policy which includes [original works] within the granted monopoly excludes from it all that is not embraced in the [original expression]. It equally forbids the use of the [copyright] to secure an exclusive right or limited monopoly not granted by the [Copyright] Office and which it is contrary to public policy to grant.²³⁰

Cases in which copyright misuse assertions were successful tend to address antitrust concerns, typically situations where plaintiffs used copyright to stifle competition or facilitate tying arrangements.²³¹ "The defense of copyright misuse, however, is not limited to discouraging anti-competitive behavior. Indeed, [t]he question is not whether the copyright is being used in a manner violative of antitrust law, ... but whether the copyright is being used in a manner violative of the public policy embodied in the grant of a copyright."²³² Recently, the Ninth Circuit, recognizing that it has so far "applied the doctrine sparingly," and that misuse is a defense, "the contours of which are still being defined,"²³³ stated that the defense can apply in three situations, where a defendant can prove "1) a violation of the antitrust laws; (2) that the copyright owner otherwise illegally extended its monopoly; or (3) that the copyright owner violated the public policies underlying the copyright laws."²³⁴

Leaving aside antitrust violations, the second and third situations are probably of most direct application to orphan works. Judge Posner in *Ty, Inc. v. Publications International Ltd.* gives an example of attempts to gain editorial control over another's work as one type of illegal extension,²³⁵ and he

²²⁹ See Patry & Posner, *supra* note 54, at 911.

²³⁰ *Lasercomb Am., Inc. v. Reynolds*, 911 F.2d 970, 977 (4th Cir. 1990), <https://casetext.com/case/lasercomb-america-inc-v-reynolds> (quoting and adapting *Morton Salt Co. v. G.S. Suppiger*, 314 U.S. 488 (1942), <https://casetext.com/case/morton-salt-co-v-suppiger-co>).

²³¹ See *id.*

²³² *Omega S.A. v. Costco Wholesale Corp.*, 776 F.3d 692, 699 (9th Cir. 2015) <https://casetext.com/case/omega-sa-v-costco-wholesale-corp-2> (quoting *Lasercomb*, 911 F. 2d at 978).

²³³ *Omega S.A.*, 776 F.3d at 700.

²³⁴ *Id.*

²³⁵ *Ty, Inc. v. Publ'ns Int'l Ltd.*, 292 F.3d 512, 520 (7th Cir. 2002), <https://casetext.com/case/ty-inc-v-publications-intern-ltd> ("Ty [creator of Beanie Babies] doesn't like criticism, and so the copyright licenses that it grants to

has written elsewhere on how “overclaiming” copyright might fall into the same trap. For example, asserting rights over works that are in the public domain, or asserting that clear cases of users’ limitations and exceptions, such as fair use, do not apply would be instances of “overclaiming.”²³⁶ Posner and William Patry argue that “courts must be careful not to place copyright owners on a razor’s edge . . . [b]ut where the warning grossly and intentionally exaggerates the copyright holder’s substantive or remedial rights, to the prejudice of publishers of public-domain works, the case for invoking the doctrine of copyright misuse seems to us compelling.”²³⁷ Similarly, the Seventh Circuit has held that an assertion of rights over data which is clearly not protectable can amount to misuse because “for a copyright owner to use an infringement suit to obtain property protection, here in data, that copyright law clearly does not confer, hoping to force a settlement or even achieve an outright victory over an opponent that may lack the resources or the legal sophistication to resist effectively, is an abuse of process.”²³⁸

Beyond illegal extension, it’s somewhat unclear what other things might so “violate[] the public policies underlying the copyright laws” to amount to copyright misuse. As stated above, in a sense the entire orphan works situation is at odds with the purpose of the Copyright Act and may make a compelling case for a misuse defense. Until courts give more definition to that aspect of the copyright misuse test, it is unclear how it might apply to orphan works. In the meantime, copyright misuse may still be a useful defense in orphan works access projects, for example as a defense against litigants who clearly don’t hold the rights in the works at issue but bring suit anyway “hoping to force a settlement or even achieve an outright victory over an opponent that may lack the resources or the legal sophistication to resist effectively.”

TORT-LAW BASED DEFENSES

Another area that holds some promise for open access to orphan works is tort-law based defenses. There is a developing body of legal scholarship that addresses copyright from the perspective of tort law, looking closely at whether certain aspects of copyright infringement, particularly the idea that copyright is a “strict liability” tort, should be refocused given how ubiquitous copyright protection is and how dramatic the consequences can be for infringement. Copyright law today is

those publishers whom it is willing to allow to publish Beanie Baby collectors’ guides reserve to it the right to veto any text in the publishers’ guides. It also forbids its licensees to reveal that they are licensees of Ty. Its standard licensing agreement requires the licensee to print on the title page and back cover of its publication the following misleading statement: ‘This publication is not sponsored or endorsed by, or otherwise affiliated with Ty Inc. All Copyrights and Trademarks of Ty Inc. are used by permission. All rights reserved.’ Notice the analogy to a publisher’s attempting to use licensing to prevent critical reviews of its books – an attempt that the doctrine of fair use blocks.”)

²³⁶ Patry & Posner, *supra* note 54, at 1654.

²³⁷ *Id.* at 1659.

²³⁸ *Assessment Techs. of WI, LLC v. WIREDATA, Inc.*, 350 F.3d 640, 647 (7th Cir. 2003), <https://casetext.com/case/assessment-technologies-of-wi-llc-v-wiredata>.

general thought of as a strict liability tort—that is, an infringer of copyright is liable whether intentional or not; if one makes copies, regardless of the reason. A number of scholars in recent years have pointed out that strict liability in copyright is at odds with developments in many other areas of tort law, where strict liability has given way to fault-based standards of liability, such as recklessness or negligence.²³⁹ Building on those developments, some have argued that copyright liability should be reformed to build in concepts such as fault, while others have argued that the law already does so, or is at least capable of doing so without changes to current law.²⁴⁰

For orphan works in particular, consideration of concepts of fault and standards of conduct, such as negligence, can help to ameliorate the strict requirements of a statute that grants broad and long-lasting rights. Given the often uncertain reach of copyright protection to a large number of works, Patrick Goold and Oren Bracha have argued persuasively that copyright law ought to take fault into account by failing to find liability in cases of “copyright accidents.”²⁴¹ They argue more specifically that a negligence standard should apply in copyright cases, which would ask courts to examine what a reasonable person would do in the circumstances. The famous “Hand Formula” puts a finer point on the well-known concept, that the injurer is only liable if he failed to take a cost-justified preventative measure, or in other words, if B (burden to the defendant) is greater than the P (the probability of harm occurring to the plaintiff) multiplied times L (the magnitude of the loss to the plaintiff): $B > PL$.

For orphan works, in applying the Hand formula, one would need to ask, does the burden of searching and attempting to license the work outweigh the potential harm to the rightsholder, when considering the probability that any harm would occur at all. As Goold and Bracha explain

Given the status of the works as orphan[s], there is only a probability that a particular work is under copyright, that there exists an owner with viable interest in the work, and that such an owner objects to the use. The expected harm of the use, which is probably small to begin with, has to be discounted to account for this. As the expected harm is small, the potential precautionary measure of forgoing the use appears to fail the Hand formula. The opportunity cost associated with forgoing this socially valuable project would seem to outweigh any small expected harm to the copyright owners.²⁴²

²³⁹ See, e.g., Oren Bracha & Patrick R. Goold, *Copyright Accidents*, 96 B.U. L. REV. 943 (2015), <https://perma.cc/8XNA-LTY2>; Dane S. Ciolino & Alvin R. Christovich, *Questioning Strict Liability*, 54 RUTGERS L. REV. 351 (2002), <https://perma.cc/Q45H-UUPG>; Steven Hetcher, *The Immorality of Strict Liability in Copyright*, 17 MARQ. INTELL. PROP. L. REV. 1, 2 (2013), <https://perma.cc/DVL7-32QH>.

²⁴⁰ Patrick Goold, *Is Copyright Infringement a Strict Liability Tort?*, 30 BERKELEY TECH. L.J. 305 (2015), <https://perma.cc/5E43-KKWQ>.

²⁴¹ Bracha & Goold, *supra* note 239.

²⁴² *Id.* at 1001–02.

Applying tort-law, fault-based analogies opens up discussion of tort-based defenses as well, such as the concept of implied consent and privilege as affirmative defenses, as in the case of a physician who is commonly held immune from liability for the tort of battery to an unconscious person to whom a physician is rendering care.²⁴³ The law allows for some relief from obtaining consent in circumstances where consent cannot be obtained but failing to act without consent would be harmful both for the individual and for society more broadly. One might argue that courts ought to accord the same type of privilege to certain activities involving orphan works that have broad benefits, such as using orphan works for the purpose of attempting to identify those works' owners.

An open question is how to operationalize these theories of fault-based liability. Goold and Bracha suggest that courts currently have leeway to do so by modifying their approaches to the fair use analysis, using it as the point of flexibility in the Copyright Act needed to import considerations of fault. Fair use may well be the most immediately viable option, but courts have sometimes been hesitant to venture far beyond the four factors listed in the statute. Thus, this area of law is among the least well-developed among those discussed here, but holds significant promise for open access to orphans because, like the doctrines of equity reviewed above, it would ask courts to look more closely at the purpose and reasoning behind uses that are largely beneficial to the public and for which harm to owners is likely minimal.

ABANDONMENT OR WAIVER

Some authors have also mentioned abandonment or waiver as another type of equitable defense that might in some circumstances justify uses of orphan works.²⁴⁴ While the concept may have some application to a limited number of open access orphan works' uses, it is not broadly useful for digitizers. Waiver is "the intentional relinquishment of a known right with knowledge of its existence and the intent to relinquish it."²⁴⁵ It is closely related to the doctrine of abandonment;²⁴⁶

²⁴³ Peter Suber, *Open Access for Digitization Projects*, in GOING DIGITAL: EVOLUTIONARY AND REVOLUTIONARY ASPECTS OF DIGITIZATION 70, 89 (Nobel Foundation, 2011), <https://perma.cc/2GEJ-723P>.

²⁴⁴ See Loren, *supra* note 171, at 1443; see also Matthew W. Turetzky, *Applying Copyright Abandonment in the Digital Age*, 2010 DUKE L. & TECH. REV., No. 19, <https://perma.cc/V6WD-PYPY>.

²⁴⁵ *United States v. King Features Entm't, Inc.*, 843 F.2d 394, 399 (9th Cir. 1988), <https://casetext.com/case/us-v-king-features-entertainment-inc> (citing *CBS, Inc., v. Merrick*, 716 F.2d 1292, 1295 (9th Cir. 1983), <https://casetext.com/case/cbs-inc-v-merrick>). See also 31 C.J.S. Estoppel and Waiver § 85 (Westlaw 2016) (Waiver is comprehensively defined as a voluntary and intentional relinquishment or abandonment of a known existing legal right, advantage, benefit, claim, or privilege, which except for such waiver the party would have enjoyed.”).

²⁴⁶ Nimmer views abandonment as a special species of waiver that applies in the copyright context. See 4 MELVILLE B. NIMMER & DAVID NIMMER, NIMMER ON COPYRIGHT § 13.06 (Matthew Bender, Rev. Ed.) (2015). Courts sometimes do discuss the two as distinct and equally applicable doctrines, but the distinctions make little difference for this analysis. Further, the distinction of one from the other is sometimes based on varying state law formulations for the elements of waiver, which can overlap with abandonment. A way to think about the general

“[i]n copyright, waiver or abandonment of copyright ‘occurs only if there is an intent by the copyright proprietor to surrender rights in his work.’”²⁴⁷ Though the concept of abandonment or waiver is generally appealing as an analogy to what owners have in effect done with their orphan works, under current law the doctrine of abandonment or waiver is unlikely to apply to many open access orphan works uses.

Waiver itself is an equitable concept, but it is commonly asserted in the context of contract disputes.²⁴⁸ It is clear, however, that “a party may waive any provision, either of a contract or statute, intended for his benefit,”²⁴⁹ such as those rights granted to copyright owners. Waiver may be applied to all rights held, or limited in application to particular parties or for particular rights.²⁵⁰ The affirmative defense of waiver is “not favored,”²⁵¹ and the asserting party bears a heavy burden to sustain it.²⁵² In general, one may not revoke a waiver,²⁵³ especially not as against a party that has already relied upon it.²⁵⁴

In the copyright context, courts have been especially strict about only applying the doctrine when there is clear knowledge and intent on the part of the waiving party.²⁵⁵ The first element of waiver, an intent to waive, can be shown in a variety of ways; a waiver need not be in writing, or even expressed as such at all.²⁵⁶ The classic formulation of the test is that the copyright owner must engage

difference between the two is that “[w]aiver, properly construed, refers only to a decision not to enforce rights against a particular party and may be contrasted with abandonment, which concerns a decision to relinquish all (or arguably some) rights in the work as against the world.” 2 PATRY, *supra* note 212 § 5:157.

²⁴⁷ *A&M Records, Inc. v. Napster, Inc.*, 239 F.3d 1004, 1026 (9th Cir. 2001), <https://casetext.com/case/a-m-records-inc-v-napster-inc-3> (quoting 4 NIMMER, *supra* note 246 (2000)).

²⁴⁸ 4 NIMMER, *supra* note 246 (suggesting that, “[s]trictly speaking, ‘waiver’ itself does not serve as a defense to copyright infringement.”).

²⁴⁹ *United States v. Mezzanatto*, 513 U.S. 196, 201 (1995), <https://casetext.com/case/united-states-v-mezzanatto> (quoting *Shutte v. Thompson*, 82 U.S. (15 Wall.) 151, 159 (1873)).

²⁵⁰ See 2 PATRY, *supra* note 212 § 5:157 (and cases cited).

²⁵¹ *CBS Broad. v. Primetime 24 Joint Venture*, 48 F. Supp. 2d 1342, 1360 (S.D. Fla. 1998), <https://casetext.com/case/cbs-broadcasting-v-primetime-24-joint-venture>.

²⁵² *Id.*; see also *Hustlers, Inc. v. Thomasson*, 307 F. Supp. 2d 1375, 1379 (N.D. Ga. 2004), <https://casetext.com/case/hustlers-inc-v-thomasson>.

²⁵³ See generally 31 C.J.S., *supra* note 245 § 93.

²⁵⁴ *Id.*

²⁵⁵ See Lydia Pallas Loren, *Building A Reliable Semicommons of Creative Works: Enforcement of Creative Commons Licenses and Limited Abandonment of Copyright*, 14 GEO. MASON L. REV. 271, 319 (2007), <https://perma.cc/WA29-CS8A> (discussing strict enforcement).

²⁵⁶ *Groves v. Prickett*, 420 F.2d 1119, 1125 (9th Cir. 1970), <https://casetext.com/case/groves-v-prickett> (“An implied waiver of rights will be found where there is ‘clear, decisive and unequivocal’ conduct which indicates a

in “some overt act which manifests his purpose to surrender his rights in the ‘work,’ and to allow the public to copy it.”²⁵⁷ Beyond intent, much of the waiver defense turns on proof about knowledge that the waiving party had about his rights (limiting waiver to only a “known right with knowledge of its existence”).²⁵⁸ Case law suggests that at least two types of knowledge may be required to abandon copyright: (1) knowledge of the legal rights available in general, and (2) knowledge of the actual existence of rights held by the person waiving. Both are difficult to show.

A good example is in *Capitol Records, Inc., v. Naxos of America, Inc.*,²⁵⁹ in which the Second Circuit was asked to decide whether a foreign owner had effectively waived its rights under a common law copyright for a pre-1972 sound recording. Given the complex set of laws that apply to pre-1972 sound recordings,²⁶⁰ the court explored whether the plaintiff had the requisite knowledge about the legal rights available to him. The defendants in *Naxos* made use of a work whose foreign owner had stated in a letter to a third-party (a Yale University archivist) that “no permission would be necessary” for certain uses of the sound recordings based on the owner’s understanding of U.S. copyright law.²⁶¹ The owner admitted in the letter that he was “not . . . conversant in American copyright law,” and so the court concluded that, under New York law,²⁶² he was “unaware of the nature of [the] rights under law (federal or state) in the United States,” and so “could not have intended to relinquish a known right.”²⁶³ The court also rejected the notion that the owner had any duty to investigate his rights under U.S. law.²⁶⁴

purpose to waive the legal rights involved.”); see also *Adidas Am., Inc. v. Payless Shoesource, Inc.*, 529 F. Supp. 2d 1215, 1256 (D. Or. 2007), <https://casetext.com/case/adidas-america-inc-v-payless-shoesource-inc>.

²⁵⁷ *Nat'l Comics Publ'ns, Inc. v. Fawcett Publ'ns, Inc.*, 191 F.2d 594, 598 (2d Cir. 1952), <https://casetext.com/case/national-comics-pub-v-fawcett-pub-2>.

²⁵⁸ *United States v. King Features Entertainment, Inc.*, 843 F.2d 394, 399 (9th Cir. 1988), <https://casetext.com/case/us-v-king-features-entertainment-inc>.

²⁵⁹ *Capitol Records, Inc., v. Naxos of Am., Inc.*, 372 F.3d 471, 482 (2d Cir. 2004), <https://casetext.com/case/capitol-records-v-naxos-of-america>.

²⁶⁰ See REGISTER OF COPYRIGHTS, FEDERAL COPYRIGHT PROTECTION FOR PRE-1972 SOUND RECORDINGS 82–89 (2011), <https://perma.cc/EFQ7-XQUS> (describing problems of certainty and consistency with the application of state-law copyright).

²⁶¹ *Naxos*, 372 F.3d at 474.

²⁶² Except in a combined breach of contract action or, as with *Naxos*, a common-law copyright case, waiver would most likely be considered an issue of federal law. However, “waiver under state law does not differ, in practical effect, from waiver under federal law. Indeed, if state law were to create a standard for waiver of a federal claim more easily met than the federal standard, then . . . we would be required to consider whether the state statute as applied conflicts with important federal regulatory interests.” *Mooney v. City of New York*, 219 F.3d 123, 131 (2d Cir. 2000), <https://casetext.com/case/mooney-v-city-of-new-york-2> (internal citations omitted).

²⁶³ *Naxos*, 372 F.3d. at 482.

²⁶⁴ *Id.*

While not all cases that address “waiver” state it so explicitly, some courts in the copyright context have required both knowledge of the law and knowledge that the person waiving actually held rights in the work. In *Hustlers, Inc. v. Thomasson*,²⁶⁵ for example, the defendant, a singer and recording artist, contractually assigned copyright in his songs to his former record label, Hustlers, Inc.²⁶⁶ Before that contract expired, however, Thomasson began a new project and claimed to assign rights in those songs to his own newly-created record company. At trial, Thomasson claimed that Hustlers had waived rights in the new project because, when asked, Hustlers did not assert rights in the new project songs, stating that it “had no knowledge of the songs and did not want to assert a claim to them in [its] ignorance of their history.”²⁶⁷ On a motion for summary judgment, the court held that there was at least a genuine issue of fact regarding Hustlers’ knowledge of its rights; “while there is evidence that [Hustlers] did not believe [it] had rights in Thomasson’s . . . songs, there is no evidence in this case that [Hustlers] made this putative waiver with knowledge of the existence of [its] rights.”²⁶⁸

For open access to orphan works, these requirements make application of waiver difficult, at least under current law. Evidence that orphan works’ rightsholders have taken verifiable overt acts to surrender their rights is likely to be rare. Even if they had, or such acts could be inferred from their actions, there will rarely be evidence that those acts were accompanied by knowledge about the scope of rights in question and the existence of those rights. At least one author has proposed an adapted theory of “orphan abandonment” to overcome these issues. It would, in effect, transfer a work into the public domain upon a court finding two elements: “1) The copyright is owned by an individual or entity that could not be identified in three years; 2.) through the reasonable exercise of due diligence.”²⁶⁹ While such a rule is appealing for would-be orphan works users, it seems unlikely to be adopted given how far removed it is from the current strict approach to waiver, which strongly disfavors taking rights from copyright owners without clear and unequivocal indications that the owner intended such a surrender.

ADVERSE POSSESSION

Adverse possession has drawn a great deal of commentary about its potential application as an orphan works solution.²⁷⁰ Adverse possession is a doctrine, like laches, that focuses on delay: it pro-

²⁶⁵ *Hustlers, Inc. v. Thomasson*, 307 F. Supp.2d 1375 (N.D. Ga. 2004), <https://casetext.com/case/hustlers-inc-v-thomasson>.

²⁶⁶ *Id.* at 1377.

²⁶⁷ *Id.*

²⁶⁸ *Id.* at 1379.

²⁶⁹ Turetzky, *supra* note 244, at 18.

²⁷⁰ See, e.g., Megan L. Bibb, *Applying Old Theories to New Problems: How Adverse Possession Can Help Solve the Orphan Works Crisis*, 12 VAND. J. ENT. & TECH. L. 149 (2009), <https://perma.cc/S49B-WDSJ>; Katherine Moran Meeks, *Adverse Possession of Orphan Works*, 33 LOY. L.A. ENT. L. REV. 1 (2013); Aryeh L. Pomerantz, *Obtaining Copyright*

vides that an owner of property cannot assert rights against another who is in possession of his property after a certain period of time. Adverse possession has its roots as a real property doctrine, and generally requires that “a successful adverse possession claimant must establish, by clear and convincing evidence, possession of another’s land for the prescribed statutory limitation period, and that possession may be characterized as: (1) hostile (sometimes under a claim of right); (2) exclusive; (3) open and notorious; (4) actual; and (5) continuous for the requisite statutory period.”²⁷¹ A successful claimant gains whatever interest the owner held at the time the adverse possession began. Unlike laches and several of the other judge-made doctrines discussed here, adverse possession is in equal parts a creature of state statutory law and judge-made law.²⁷²

Because adverse possession is referenced so frequently in the literature, I address it at length here, but warn that it faces significant challenges to be applied to orphan works uses. The first challenge is that, like laches, a major element of the doctrine is delay. As such, the Supreme Court’s guidance in *Petrella*, that Congress has, through the Copyright Act’s three-year statute of limitation, already spoken to the issue of delay applies directly. Thus, adverse possession may not be available to usurp rights within the limitations period.

Second, even if the statute of limitations is not an obstacle, many commentators suggest that adverse possession typically would not apply to copyrights for other reasons. Professor Brauneis explains that “[c]opyright law has never had any version of adverse possession or prescriptive easements, arguably because the limited term of copyright protection itself served the function of clearing title and balancing the interests of the inattentive owner and the productive user.”²⁷³ Leading treatises assert that adverse possession cannot apply, though they disagree on why. William Patry says “no” because it is a state law grant of rights that is preempted.²⁷⁴ *Nimmer on Copyright* states that, at least within the confines of statutory prohibition on certain types of involuntary transfers,

Licenses by Prescriptive Easement: A Solution to the Orphan Works Problem, 50 JURIMETRICS J. 195 (2010), <https://perma.cc/6HZ5-L3PD>. See also Michael James Arrett, *Adverse Possession of Copyright: A Proposal to Complete Copyright's Unification with Property Law*, 31 J. CORP. L. 187 (2005), <https://perma.cc/WY7N-2RC8>; Constance E. Bagley & Gavin Clarkson, *Adverse Possession for Intellectual Property: Adapting an Ancient Concept to Resolve Conflicts Between Antitrust and Intellectual Property Laws in the Information Age*, 16 HARV. J. L. & TECH. 327 (2003), <https://perma.cc/F7XG-HFL7>; Matthew W. Daus, *The Adverse Possession of Copyright*, 13 LOY. L.A. ENT. L.J. 45 (1992), <https://perma.cc/BSV5-TCDX>.

²⁷¹ 16–91 POWELL ON REAL PROPERTY § 91.01 (Michael Allan Wolf ed., LexisNexis Matthew Bender) (2015).

²⁷² *Id.*

²⁷³ Brauneis, *supra* note 1, at 340.

²⁷⁴ 2 PATRY, *supra* note 212 § 5:1 (“In *Advance Magazine Publishers, Inc. v. Leach*, 466 F. Supp. 2d 628, 634 (D. Md. 2006), the court properly rejected the defendant’s completely frivolous argument that he could obtain rights in plaintiff’s work through adverse possession.”);

adverse possession cannot apply.²⁷⁵ *Goldstein on Copyright* says “no” because copyrights cannot be “possessed” as required by the adverse possession doctrine.²⁷⁶

There are only two cases that directly address adverse possession of copyright,²⁷⁷ but both are helpful in understanding the challenges associated with this doctrine. The first is *Gee v. CBS, Inc.*,²⁷⁸ which was a case about rights to a song, “At the Christmas Ball,” originally recorded by Bessie Smith in 1925 and “rejected” by Columbia at the time. After Smith’s death, in 1951, Columbia issued the recording, and then reissued it again in 1972.²⁷⁹ Years later, one of Smith’s heirs brought suit, and Columbia asserted several defenses, including that it had adversely possessed Smith’s rights in the song because it had, for years, represented that it had owned those rights. Ultimately, the court accepted Columbia’s adverse possession claim.

The primary difficulty that the court addressed was whether adverse possession could apply to personal property (as opposed to real property), and whether still it could apply to *intangible* personal property, such as a copyright right. Few states have concluded that adverse possession can apply to intangible property, and some even prohibit application to personal property. The *Gee* court, however, concluded that Pennsylvania and New York, the relevant states whose law was at issue,²⁸⁰ likely would recognize adverse possession of intangibles. New York, the court noted, had previously recognized adverse possession of a “chose in action.”²⁸¹ In other states, however, this poses a challenge. In Louisiana, for example, adverse possession requires “the ‘detention’ of a ‘corporeal thing’ Therefore, the incorporeal thing or incorporeal movable in this action cannot be corporeally

²⁷⁵ 3–10 NIMMER, *supra* note 246 § 10.04.

²⁷⁶ PAUL, GOLDSTEIN, GOLDSTEIN ON COPYRIGHT § 5.1 (2015) (Forms of Transfer).

²⁷⁷ A third, *Zuill v. Shanahan*, 80 F.3d 1366, 1370 (9th Cir. 1996), *as amended* (June 14, 1996), <https://casetext.com/case/zuill-v-shanahan>, is a Ninth Circuit decision addressing timing and delay in claims about co-ownership of a copyright. The court concluded that the normal statute of limitations for infringement does not apply to late-coming claims of co-ownership, but that laches might serve to cut off such claims. Plaintiffs argued that such a rule would apply “something like adverse possession of copyright ownership.” The court agreed, but took the analogy no further. *Id.*

²⁷⁸ *Gee v. CBS, Inc.*, 471 F. Supp. 600 (E.D. Pa. 1979), <https://casetext.com/case/gee-v-cbs-inc-2>.

²⁷⁹ *Id.* at 609.

²⁸⁰ As one commenter has observed, it is unclear throughout *Gee* whether the court is applying state common law or just using those cases to inform its own formulation of a federal common law doctrine of adverse possession. See Daus, *supra* note 270, at 55–56.

²⁸¹ *Gee*, 471 F. Supp. at 654 (citing *Lightfoot v. Davis*, 198 N.Y. 261, 91 N.E. 582 (1910), <https://casetext.com/case/lightfoot-v-davis>).

possessed or detained by another.” Thus, for example, one could not adversely possess a partnership interest in Louisiana.²⁸²

The other case on point was a 2006 district court opinion in *Advance Magazine Publishers, Inc. v. Leach*,²⁸³ which gives some helpful insight into other challenges, as well as a glimpse at the Copyright Office’s views on this question. Advance Magazine (the corporate owner of Conde Nast) brought the infringement suit against David Leach, who began in the 1990s to scan stories from magazines published in the 1930s and 40s, such as *The Shadow*, *Doc Savage* and *The Avenger* (about 500 in total), and offered the full text to the public on his websites in ad-supported formats and for sale, including as reprints through Amazon.com.²⁸⁴ Leach operated the websites for at least eight years, and offered the reprints for sale for nearly six years before Advance filed suit.²⁸⁵ Advance Magazine claimed ownership as successor in title to the magazines. Leach, proceeding *pro se*, filed an answer (of sorts) contesting ownership by asserting that he had acquired rights through adverse possession.²⁸⁶

Included with his short answer, Leach attached a copy of a letter he sent to the Copyright Office requesting a recordation of transfer based on adverse possession.²⁸⁷ Though the Office did not actually record Leach’s requested documents (he sent a check that was \$20 short of the required fee), the Office went to the trouble of writing back and disavowing the idea that the it recognizes or has ever recognized adverse possession as applying to copyrights.²⁸⁸ The letter plainly stated that “[t]he Copyright Office applies no doctrine of adverse possession, and I am personally unaware of any

²⁸² *Grosjean v. Grosjean*, 50 So. 3d 233, 241 (La. App. 2 Cir. 2010), <https://casetext.com/case/grosjean-v-grosjean-45529-laapp-2-cir-101310>.

²⁸³ *Advance Magazine Publishers, Inc. v. Leach*, 466 F. Supp. 2d 628 (D. Md. 2006), <https://casetext.com/case/advance-magazine-publishers-inc-v-leach>.

²⁸⁴ *Advance Magazine Publishers, Inc.*, 466 F. Supp. 2d at 632.

²⁸⁵ *Id.*

²⁸⁶ *Id.*

²⁸⁷ *Id.* at 633. In the letter, Leach asserted without citing support that the Office had, in the past, recognized adverse possession transfers.

²⁸⁸ See Letter from Kent Dunlap, Principal Legal Advisor for the General Counsel, U.S. Copyright Office to David Leach, *Advance Magazine Publishers, Inc.*, 466 F. Supp. 2d (No. DKC 2006-0522), <https://perma.cc/L8B8-RPSZ> (hereinafter Dunlap Letter). The Office later refused to register his claim of copyright as derivative works because “the Copyright Office does not recognize [adverse possession] as applying to intellectual property. Therefore, it does not appear that [Leach] has permission to use the magazines in preparing derivative works.” Letter from Susan Todd, Section Head, Literary Section, U.S. Copyright Office to David Leach, *id.*, <https://perma.cc/Z8QM-BBX6>.

authoritative case which supports application of such a doctrine in the context of a copyrighted work.”²⁸⁹

Like the Copyright Office, the court rejected Leach’s adverse possession claim, concluding that 1) federal law preempts application of the state-law doctrine of adverse possession, so it could not apply, and 2) if Leach was asserting some sort of federal common law doctrine of adverse possession or transfer “by operation of law,” statutory limitations on involuntary transfers of rights foreclosed recognition of such a doctrine.²⁹⁰

The court raised two of the most significant challenges for adverse possession of copyright. First, on federal preemption, the *Advance* court pointed to Section 301(a) of the Copyright Act, which provides that

all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright [as specified in federal law] . . . are governed exclusively by this title. . . . no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State.”²⁹¹

The court reasoned that “application of the doctrine of adverse possession would transfer all of the original owner’s rights to the adverse possessor. Therefore, the rights that would be acquired . . . would be equivalent to those [granted under federal law]”²⁹² which is expressly preempted by Section 301.²⁹³

One counterargument to that preemption analysis is that, in most states, transfer of rights by adverse possession does not grant adverse possessors with a set of state-created “equivalent rights,” but in fact grants *the exact same rights* that federal law provides to owners. The doctrine merely facilitates a transfer of those rights from one owner to another. For that, use of state law to effectuate transfers of federal rights is expressly contemplated by the Act. For example, in Section 201, addressing transfer of rights by operation of law, the Copyright Act provides that “the ownership of a copyright may be transferred in whole or in part by any means of conveyance or by operation of law, and may be bequeathed by will or pass as personal property by the applicable laws of intestate succession.”²⁹⁴ Courts regularly look to state law as the governing law for interpreting contracts transferring ownership of rights, and the effectuation of transfer of copyright by will or intestate succession is also accomplished by means of state law. However, that counterargument is some-

²⁸⁹ Dunlap Letter, *supra* note 288.

²⁹⁰ *Advance Magazine Publishers*, 466 F. Supp. 2d at 633.

²⁹¹ 17 U.S.C. § 301(a) (2015), <https://perma.cc/BK8Y-TAU6>.

²⁹² *Advance Magazine Publishers*, 466 F. Supp. 2d at 635.

²⁹³ *Id.*

²⁹⁴ 17 U.S.C. § 201(d)(1), <https://perma.cc/BK8Y-TAU6>.

what weak because it depends on how the law of each state characterizes adverse possession; is it merely a transfer of rights, or a grant of new rights? Further, a federal court would likely feel free to look beyond how a state characterizes transfers of rights and decide for itself whether the adverse possession doctrine is a mere transfer, or something more that is in conflict with federal policy.

The second reason cited by the court for denying the adverse possession assertion was that the Copyright Act prohibits involuntary transfers of rights. The court referenced Section 201(e) of the Copyright Act, which states that “[w]hen an individual author’s ownership of a copyright, or of any of the exclusive rights under a copyright, has not previously been transferred voluntarily by that individual author, no action by any governmental body or other official or organization purporting to seize, expropriate, transfer, or exercise rights of ownership with respect to the copyright, or any of the exclusive rights under a copyright, shall be given effect under this title”²⁹⁵

There is little case law on copyright transfer “by operation of law” and what might constitute an involuntary transfer.²⁹⁶ A close reading of the statute would indicate that not all involuntary transfers are prohibited, but only those situations in which the copyright “has not previously been transferred.” Nevertheless, in many situations, Section 201(e) would pose another significant hurdle because no potential library or archives assertor would have *ex ante* access to the information needed to know which works were subject to prior transfers and therefore free of the 201(e) restriction.

Overall, adverse possession, if it is available at all after *Petrella*’s reading of the Copyright Act’s statute of limitations, faces significant challenges. As some commenters have noted, effectively using adverse possession for orphan works would likely require some additional help and modification through legislation from Congress.²⁹⁷

²⁹⁵ 17 U.S.C. § 201(e), <https://perma.cc/BK8Y-TAU6>.

²⁹⁶ *Soc’y of Holy Transfiguration Monastery, Inc. v. Gregory*, 689 F.3d 29, 41 (1st Cir. 2012), <https://casetext.com/case/socy-of-the-holy-transfiguration-monastery-inc-v-denver> (noting “a desert of case law on the issue of copyright transfers by operation of law”).

²⁹⁷ See, e.g., Pomerantz, *supra* note 270.

REDUCING RISK BY MINIMIZING THE LIKELIHOOD OF A DISPUTE

The threshold risk that someone will come forward to contest the use of an orphan work is one of the most significant and important risks for digitizers to address. Regardless of the legitimacy of a claim or the ability of a claimant to recover anything from the digitizer, the mere existence of a dispute itself can be costly. Copyright litigation is expensive. In 2013, the American Intellectual Property Law Association (AIPLA) reported that the median cost of litigating even a small-stakes copyright infringement suit was around \$150,000 through to the discovery process.²⁹⁸ Even just hiring a lawyer to respond to a dispute that never results in a lawsuit can be costly. The 2013 average billable rate for a relatively inexperienced intellectual property attorney was over \$250 per hour.²⁹⁹ Should a suit be initiated, ending it quickly is important too. AIPLA reports that the median cost for small-stakes suits that drag on and are litigated all the way through discovery and to the end of the litigation is around \$300,000.³⁰⁰

One of the most meaningful ways to reduce the likelihood of a dispute is to do what many digitizers are already practicing: screening their collections before digitization to identify works that might require further research, and then, in some cases, conducting searches for rightsholders of those works. While searches are not necessary in every situation, it can help confirm that the work is truly orphaned and thus lower the risk that an owner will come forward and sue. Searches for rightsholders also have other benefits, such as bolstering a fair use defense and showing good faith. Searches may even be necessary for assertion of some of the defenses reviewed above, such as asserting a defense under the Section 108 library and archives exceptions.

This Section builds on the existing practice of conducting searches for rightsholders and identifies four additional strategies that might be used to further minimize the likelihood of a dispute and, should a dispute arise, to quickly dispense with it. Like the previous Section, this Section is organized in order of those strategies most immediately useful in practice to those that would require more work, more resources, and more significant legal developments. It addresses four strategies: (1) using quitclaim grants to obtain partial permissions from authors and others; (2) obtaining broader voluntary permissions from larger rightsholders or collective organizations; (3) using class action lawsuits to clear rights in large numbers of works; and (4) challenging standing of potential litigants.

The two strategies of most immediate use are (1) using quitclaim grants to obtain partial permissions from authors and others; (2) obtaining broader voluntary permissions from larger rightshold-

²⁹⁸ Defined as a lawsuit with less than \$1 million at stake. AIPLA, REPORT OF THE ECONOMIC SURVEY 36; I-175 (2013).

²⁹⁹ *Id.* at I-48 (2012 survey reporting that mean billable hour rate for an IP associate at a private firm with fewer than five years of experience was \$271).

³⁰⁰ *Id.* at 36.

ers or collective organizations. Obtaining quitclaim grants is probably of the most limited use (it would only apply when a person or organization associated with a particular work is located, but that person is not necessarily the rightsholder) but it is also among the simplest for digitizers to employ. Broader grants of permission, while helpful for large-scale projects that might affect larger groups of rightsholders, are likely to be more difficult and costly to negotiate and develop consensus, but would provide far wider coverage for more works.

In addition, this Section covers two other strategies that are discussed in the literature but unlikely to be immediately useful for most digitizers. They are (3) using class action lawsuits to clear rights in large numbers of works; and (4) challenging standing of potential litigants. Class action lawsuits are themselves risky to initiate and are likely only useful for the most well-resourced digitization projects. Challenging standing is likely most useful for large-scale access projects that may generate disputes with groups of plaintiffs, such as professional associations or in class action lawsuits, as has been the case in suits such as *Authors Guild, Inc. v. HathiTrust* and *Authors Guild v. Google, Inc.* The risk in those type of cases is that an association, claiming to represent the rights of its members (which may include rightsholders of orphan works), will allege harm from the whole mass digitization project and therefore ask a court for relief by enjoining the entire project, rather than relief related to specific individual works. Challenging standing of associations to bring those types of lawsuits against orphan works mass-digitization projects can limit the ability of associations or class action plaintiffs to litigate those claims and obtain such broad relief.

QUITCLAIMS AND PARTIAL PERMISSIONS

At first blush, obtaining permissions seems inapposite for orphan works, works for which owners cannot be identified or located. But, some orphans do have locatable individuals or organizations associated with the work, just not individuals who can be confirmed as rightsholders. These situations arise because of the way copyrights are commonly created and transferred. Rights in works may be distributed among a variety of known and unknown parties via private contracts or other legal instruments, the terms of which are not often made public. Copyrights can be subdivided amongst an almost infinite number of owners, any number of whom might be necessary to contact, or at least investigate, when seeking to reuse a particular work.³⁰¹ Author-publisher agreements vary greatly from publisher to publisher, and often contain terms that allocate rights to different owners over time.³⁰² The scope of those rights—especially with respect to “new uses,”³⁰³ such

³⁰¹ The 1976 Copyright Act introduced so-called “divisible” copyright, which increases the number and kind of ownership interests that can bring an infringement suit. See 17 U.S.C. § 201(d)(2) (2015), <https://perma.cc/BK8Y-TAU6>; See also Jessica Litman, *supra* note 160 (describing how the elimination of notice and related formalities made this divisibility problem worse); Henry H. Perritt, Jr., *Cut in Tiny Pieces: Ensuring That Fragmented Ownership Does Not Chill Creativity*, 14 VAND. J. ENT. & TECH. L. 1, 42 (2011), <https://perma.cc/MMQ4-C3NC> (describing the problem as it related to film ownership).

³⁰² See *SHERPA/RoMEO Publisher Copyright Policies & Self Archiving*, SHERPA, <https://perma.cc/FK84-67EA> (last visited May 22, 2016) (categorizing over 1000 unique publisher-author contracts, many of which contain com-

as conversion of print books into electronic versions—is difficult to determine even with access to private contracts because the contractual terms themselves can be unclear. The allocation of e-book rights is particularly unclear, because early contracts did not necessarily use the terms that have come to describe modern electronic publishing of books. For example, a recent case involved allocation of rights in the well-known children’s novel *Julie of the Wolves*.³⁰⁴ That case revolved around interpretation of a 1971 publishing contract between the author, Jean Craighead George, and her original publisher, Harper & Row, which granted it the authority to “publish” the work “in book form.” Based on several other terms in a somewhat lengthy contract, the court concluded that the parties had intended to partially transfer the e-book rights to her original publisher. Notably, the outcome in this case differed significantly from an earlier case from the same jurisdiction, *Random House, Inc. v. Rosetta Books, LLC*, in which the court held that a contract to “publish, print, or sell” a work “in book form” was held to not include e-book rights.³⁰⁵

Courts have split on how to deal with “new uses” cases like these.³⁰⁶ Some say that rights remain with the original owners, but others say that contracts should be construed broadly, often in favor of publishers. Clarity about ownership of these works is further complicated by the fact that contracts often contain reversion clauses, that the Copyright Act allows authors to terminate transfers of rights after a period of time, and that some works are potentially subject to the “work for hire” doctrine,³⁰⁷ and other statutory provisions that alter the normal allocation of rights.³⁰⁸ Without

plex grants of rights and reversions to and from publishers, often subject to a variety of triggering mechanisms (e.g., reversion of some self-archiving rights after a six month period)).

³⁰³ See Pamela Samuelson, *The Google Books Settlement as Copyright Reform*, 2011 WISC. L. REV. 479, 496, <https://perma.cc/UPC7-S2L8> (discussing the problem of “new uses,” such as e-book creations, that impede mass digitization projects such as Google Books Search).

³⁰⁴ *HarperCollins Publishers LLC v. Open Road Integrated Media, LLP*, 7 F.Supp. 3d 363, 371 (S.D.N.Y. 2014), <https://casetext.com/case/harpercollins-publishers-llc-v-open-rd-integrated-media> (interpreting 1971 contract to have granted e-book rights to original, print publisher).

³⁰⁵ See *Random House, Inc. v. Rosetta Books, LLC*, 283 F.3d 490 (2d Cir. 2002), <https://casetext.com/case/random-house-inc-v-rosetta-books-llc> (e-book rights remained with the author under contract that granted rights to “print, publish, and sell” “in book form”).

³⁰⁶ Compare *Cohen v. Paramount Pictures Corp.*, 845 F.2d 851 (9th Cir. 1988), <https://casetext.com/case/cohen-v-paramount-pictures-corp> (favoring ambiguity in favor of the grantor) with *Bartsch v. Metro-Goldwyn-Mayer, Inc.*, 391 F.2d 150, 155 (2d Cir. 1968), <https://casetext.com/case/bartsch-v-metro-goldwyn-mayer-inc-2> (“[L]icensee[s] may properly pursue any uses which may reasonably be said to fall within the medium as described in the license.”); see also *Boosey & Hawkes Music Publishers v. Walt Disney Co.*, 145 F. 3d 481 (2d Cir. 1998), <https://casetext.com/case/boosey-hawkes-music-publishers-v-walt-disney> (contrasting the approaches).

³⁰⁷ 17 U.S.C. § 201(b) (2015), <https://perma.cc/BK8Y-TAU6> (“In the case of a work made for hire, the employer or other person for whom the work was prepared is considered the author for purposes of this title . . .”).

³⁰⁸ See, e.g., 17 U.S.C. § 201(c), <https://perma.cc/BK8Y-TAU6> (“Copyright in each separate contribution to a collective work is distinct from copyright in the collective work as a whole, and vests initially in the author of the

clear public documentation, digitizers have difficulty finding the appropriate party from which to seek permission for any given use.³⁰⁹

Take, for example, the common situation of an author who published her work long ago with a publisher that no longer exists and the distribution of whose assets upon dissolution is not clear. Who owns the rights to that work is likely unclear, but there are two primary culprits: the publisher or the author. The publisher cannot be found, but the author can. The alternative, finding a publisher or other organization, but not the author who is no longer affiliated with the organization, can also occur. Further, some works fall within the orphan category not because there are no identifiable parties who may hold rights, but because there is no one confident enough to grant permission. With poor record keeping and complex copyright transfers, individuals and organizations associated with a given work are sometimes uncertain of the scope of rights that they retain, if any. Added to that, rights can pass by bequest or by state intestacy laws to heirs who may not be certain about the scope of the rights that they inherited,³¹⁰ if they are aware of the rights at all. Even for individuals who support providing open access to those works, they may remain uneasy about granting permission if they are uncertain of the scope of the rights they hold and their ability to provide warranties about the necessary rights, as many standard form-licenses require.³¹¹

To address these situations, some digitizers have pursued looser grants of rights in the form of a “quitclaim,” which allows, so far as the grantor is concerned, the grantee organization to provide online access and make other uses of the work.³¹² Such a grant does not require the grantor to warranty that it owns any rights, but merely acknowledge that, to the extent the grantor does own any rights, they are relinquished for uses specified in the agreement. The principle behind this

contribution. In the absence of an express transfer . . . the owner of copyright in the collective work is presumed to have acquired only the privilege of reproducing and distributing the contribution as part of that particular collective work . . .”). See also *N.Y. Times Co. v. Tasini*, 533 U.S. 483 (2001), <https://casetext.com/case/new-york-times-co-v-tasini> (application of 201(c) to electronic versions of compilations).

³⁰⁹ See Samuelson, *supra* note 303, at 498–502.

³¹⁰ 17 U.S.C. § 201(d), <https://perma.cc/BK8Y-TAU6>.

³¹¹ See, e.g., *University of Michigan Permissions Agreement*, HATHITRUST, <https://perma.cc/ZWD3-HA9X> (last visited May 22, 2016) (asking authors to “represent and warrant to the University of Michigan that I am a copyright holder of the Work with the right to make this authorization because [of a selection of a variety of copyright arrangements].”). To the extent that the author actually did assign or license away rights exclusive rights, the author cannot continue to exploit or authorize others to exploit those rights without an express reservation of rights to herself. See *Fantasy, Inc. v. Fogerty*, 654 F. Supp. 1129, 1131 (N.D. Cal. 1987), <https://casetext.com/case/fantasy-inc-v-fogerty> (“A copyright owner can infringe upon any exclusive right which he transfers or grants to another.”); *Dodd, Mead & Co., Inc. v. Lilienthal*, 514 F. Supp. 105, 108 (S.D.N.Y. 1981), <https://casetext.com/case/dodd-mead-co-inc-v-lilienthal> (publishers “alleged failure to meet the public demand did not permit [the author] to publish his own copies in contravention of the contract between the parties.”).

³¹² See, e.g., *N.Y. Pub. Library Quitclaim*, *infra* Appendix B.

strategy, that it is usually less risky to get permission from someone for some uses than to get no permission at all, is largely sound. Here is why:

First, a quitclaim can help a digitizer challenge claims of ownership. In any copyright infringement suit, the plaintiff must allege and prove two basic elements: “(1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original.”³¹³ Should a dispute arise with a third party, a digitizer with a quitclaim can immediately challenge the sufficiency of a plaintiff’s ownership claim by interjecting the quitclaim permissions it already obtained from some other party associated with the work. This may be particularly useful to dissuade potential litigants who may have even less certain ownership claims, particularly those who might try to assert rights on behalf of orphan works’ owners but with little documentation about those individual ownership rights.

For challenging ownership, obtaining quitclaim grants of rights from authors is probably the most worthwhile tactic, because authors hold a special presumption about ownership of their works under the Copyright Act.³¹⁴ It states simply that “[c]opyright in a work . . . vests initially in the author.”³¹⁵ Because of that presumption that ownership vests in an author, a non-author plaintiff, such as a publisher or a rightsholder association, would need to establish ownership by referring to external evidence. It can do this either by offering a registration certificate in its own name, which constitutes *prima facie* evidence of ownership if registered within five years after first publication,³¹⁶ or by bearing the burden of proving its chain of title.³¹⁷ Because the exclusive rights under copyright are freely divisible among many owners,³¹⁸ the plaintiff would need to show that chain of title for the particular rights that it alleges to be infringed. For open access to orphan works, this would

³¹³ *Feist Publ’ns, Inc. v. Rural Tel. Serv. Co., Inc.*, 499 U.S. 340, 361 (1991), <https://casetext.com/case/feist-publications-inc-v-rural-telephone-service-company-inc>; see also *Capitol Records, Inc. v. Naxos of Am., Inc.*, 372 F.3d 471, 481 (2d Cir. 2004), <https://casetext.com/case/capitol-records-v-naxos-of-america>.

³¹⁴ See Molly Shaffer Van Houweling, *Author Autonomy and Atomism in Copyright Law*, 96 VA. L. REV. 549 (2010), <https://perma.cc/VU5X-BMN7>. In the words of former Register of Copyrights Barbara Ringer, the modern Copyright Act represents a “break with the two-hundred-year-old tradition that has identified copyright more closely with the publisher than with the author.” See Letter from M. Peters to Rep. McGovern, *reprinted in* 147 CONG. REC. 2062–64 (2001) (quoting Barbara Ringer, *First Thoughts on the Copyright Act of 1976*, 22 N.Y. L. S. L. REV. 477, 490 (1977)), <https://perma.cc/D3H9-JN34>. In addition to the general tone, set on this course by the 1976 Copyright Act, technological advances have further empowered individual authors in the creation and management of their copyright interests. Van Houweling, *supra*.

³¹⁵ 17 U.S.C. § 201(a), <https://perma.cc/BK8Y-TAU6>.

³¹⁶ 17 U.S.C. § 410, <https://perma.cc/BK8Y-TAU6>.

³¹⁷ See *Religious Tech. Ctr. v. Netcom On-Line Commun. Servs.*, 923 F. Supp. 1231, 1241 (N.D. Cal. 1995), <https://casetext.com/case/religious-tech-v-netcom-on-line-com> (helpful explanation of the process of proving title) (citing 3 NIMMER, *supra* note 246 § 12.11 [C] (1995)); see also *Fleischer Studios, Inc. v. A.V.E.L.A., Inc.*, 654 F.3d 958, 962 (9th Cir. 2011), <https://casetext.com/case/fleischer-studios-v-avela>.

³¹⁸ 17 U.S.C. § 201(d)(2), <https://perma.cc/BK8Y-TAU6>.

mean the right to control reproduction and distribution online. A digitizer with a grant of rights from the author would enjoy the presumption that those rights are valid absent evidence to the contrary.

Beyond challenging ownership, quitclaim grants of rights can be helpful (absent knowledge of contrary evidence that rights are held by another party) in bolstering equitable defenses and fair use defenses, by demonstrating a good faith pursuit of permission from the only likely rightsholders who were available at the time of use.³¹⁹ A quitclaim can also reinforce claims of innocent infringement³²⁰ by showing that the digitizer had a good-faith, reasonable belief that its activities were noninfringing. If nothing else, a quitclaim can help support a defense that infringement was not “willful”³²¹ and therefore not subject to enhanced damages awards.

I could find no public examples or forms for digitizers that seek to use quitclaim deeds, but one should be a simple document to create. The essential elements of a quitclaim grant would merely be 1) a release of whatever rights are held by the grantor for the uses specified by the digitizer (which might also include broader public grants), and 2) an explicit statement that the quitclaim grantor makes no warranties about ownership. To help give further guidance, the New York Public Library has agreed, for this report, to share the quitclaim that it uses (attached in full as an appendix to this report). That document is a simple one-page form, signed by an individual or organization associated with a given work which “grants to the Library a worldwide quitclaim of any rights it has in the Material for any of the following purposes: (i) on the Library’s website for access by researchers, scholars and other members of the general public; (ii) on the Library’s electronic preservation system; and (iii) in educational materials related to the Library’s collections, exhibitions, programs, events, related publicity, promotional materials and publications.” The quitclaim explicitly provides that “[t]his grant is without representation or warranty of any kind by the un-

³¹⁹ Courts have long held that equitable defenses demand “clean hands” for the party asserting the defense. See, e.g., *He Who Comes into Equity Must Come with Clean Hands*, 4 A.L.R. 44 (originally published in 1919) (collecting cases). For fair use, good faith is considered by courts but is likely not determinative. See *NXIVM Corp. v. Ross Inst.*, 364 F.3d 471, 484 (2d Cir. 2004), <https://casetext.com/case/nxivm-corp-v-ross-institute> (citing *Campbell v. Acuff-Rose Music, Inc.*, 510 U.S. 569, 585 n.18 (1994), <https://casetext.com/case/campbell-v-acuff-rose-music-inc>.

³²⁰ 17 U.S.C. § 504(c)(2), <https://perma.cc/BK8Y-TAU6>.

³²¹ *Id.* This would seem to be so even, or maybe especially, where there is confusion about ownership of rights. See *Danjaq LLC v. Sony Corp.*, 263 F.3d 942, 959 (9th Cir. 2001), <https://casetext.com/case/danjaq-llc-v-sony-corporation> (“The complexity of the chain of title to the various elements of the Bond stories further precludes a jury finding of willful infringement.”) (citing *Peer Int’l Corp. v. Pausa Records, Inc.*, 909 F.2d 1332, 1334 (9th Cir.1990), <https://casetext.com/case/peer-intern-corp-v-pausa-records-inc> (approving the district court’s refusal to find willfulness where the defendant was acting under color of rights granted by a license); *Frank Music Corp. v. MGM, Inc.*, 772 F.2d 505, 515 (9th Cir. 1985), <https://casetext.com/case/frank-music-corp-v-metro-goldwyn-mayer-inc> (holding that, where defendants reasonably could have believed that they had a valid license to use plaintiffs’ works, it was not clearly erroneous for the district court to find no willful infringement)).

dersigned as to the ownership, validity or subsistence of copyright or any other intellectual property rights in the Material.”

BROAD PERMISSIONS THROUGH VOLUNTARY AGREEMENTS

Digitizers may also reduce risks by seeking permissions on a larger scale. Legal scholarship discusses a variety of large-scale “private ordering” solutions (agreements among private parties) to the orphan works problem,³²² which can take on varying degrees of complexity, from a simple Memorandum of Understanding, or agreements not to sue among a set of organizations,³²³ to class action settlement agreements that have a broad, binding effect on absent parties, including orphan works’ owners.³²⁴ These solutions are all suggested in the context of mass digitization of collections that contain orphan works.

The Copyright Office’s favored solution for mass digitization projects adopts aspects of this broad agreement approach. The Office proposes to deploy a collective licensing system, enhanced by legislation which would “extend” license terms negotiated between digitizers and large collective rights organizations (CROs) to bind all rightsholders who are similar to those represented by the CRO.³²⁵ The Office’s extended collective licensing (ECL) proposal patterns several of its features on the failed settlement agreement and amended settlement agreement that was negotiated in the class action lawsuit against Google for its Google Books project.³²⁶

The value of the ECL system proposed by the Copyright Office and in the class action settlement agreements negotiated in the Google Books litigation is that class actions and legislation can be used to bind parties who are not present, which would include owners of orphan works. It is beyond the scope of this report to fully address how ECL or class action settlements can be used to facilitate mass digitization, or more generally whether using such tools is a good idea as a matter of policy. Several commenters have already spoken to the shortcomings of specific aspects of both ECL legislation and the Google Books Amended Settlement Agreement.³²⁷ The more general

³²² See Keith Porcaro, *Private Ordering and Orphan Works: Our Least Worst Hope?*, 2010 DUKE L. & TECH. REV. 15, <https://perma.cc/2L8E-Q986>.

³²³ See U.S. COPYRIGHT OFFICE, *supra* note 15, at 79–82 (discussing various voluntary agreement proposals raised in the course of the Copyright Office’s mass digitization study).

³²⁴ See Pamela Samuelson, *supra* note 303, at 522; Randal C. Picker, *The Google Book Search Settlement: A New Orphan Works Monopoly?* (John M. Olin Law & Economics Working Paper No. 462 (2d series), 2009), <https://perma.cc/5F88-YE3S>; see also Ryan Andrews, *Contracting Out of the Orphan Works Problem: How the Google Book Search Settlement Serves as a Private Solution to the Orphan Works Problem and Why It Should Matter to Policy Makers*, 19 S. CAL. INTERDISC. L.J. 97 (2009), <https://perma.cc/T2SB-FVGA>; Costanzo, *supra* note 134.

³²⁵ See U.S. COPYRIGHT OFFICE, *supra* note 15, at 82–104.

³²⁶ *Id.* at 83.

³²⁷ See, e.g., Samuelson, *supra* note 303, at 539 (suggesting that the Google Books settlement agreement should not be approved). The district court ultimately rejected the negotiated settlement agreement, in part because of

point, that those types of mechanisms might be used to bind non-parties (including orphan works owners) to an agreement about uses of their works is worth exploring, but ultimately poses a difficult strategy for all but the most well-resourced orphan works access projects.

A more modest option for broad permissions might follow the pattern set out in the EU-developed Memorandum of Understanding on Key Principles on the Digitization and Making Available Out of Commerce Works (EU MoU).³²⁸ That document, shepherded by the European Commission and the result of an extensive stakeholder dialogue, brought together key parties to develop a framework on developing agreements between rightsholder groups and library and archives digitizers who want to provide open access, noncommercial uses of out of commerce works. Signatories included European Writers' Council (EWC), the Federation of European Publishers (FEP), the European Publishers' Council (EPC), the International Association of Scientific, Technical and Medical Publishers (STM), the European Bureau of Library, Information and Documentation Associations (EBLIDA), the Conference of European National Librarians (CENL), the Association of European Research Libraries (LIBER), European Visual Artists (EVA), the European Federation of Journalists (EFJ) and the International Federation of Reprographic Rights Organisations (IFRRO).

The EU MoU has a limited scope (it only applies to books and journals published in subject countries that digitizers seek to use) and addresses only out of commerce works (works with known owners but that are no longer in print or otherwise commercially available) as distinguished from orphan works. Nevertheless, its terms are instructive. The EU MoU gives high-level guidance on how to structure agreements, focusing on three principles, (1) that agreements should be voluntary; (2) that agreements should cover practical implementation matters and (3) that agreements should make special considerations for cross border uses (something of more importance in the EU than in U.S. applications).

In the United States, digitizers of orphan works could take a number of approaches to voluntary agreements. One might be to follow the model of the EU MoU and to collectively develop a broad consensus document with major national rightsholder groups. The Copyright Office has raised such a possibility, with it taking a role as facilitator.³²⁹ Such an MoU, one might imagine, would contain guidance regarding on what matters digitizers and relevant rightsholder groups should agree. For example, minimum diligent searches for rightsholders, uses made by digitizers, commu-

its treatment of orphan works. See *Authors Guild v. Google Inc.*, 770 F. Supp. 2d 666, 677 (S.D.N.Y. 2011), <https://casetext.com/case/guild-v-google-inc>. See also Thomas Riis & Jens Schovsbo, *Extended Collective Licenses and the Nordic Experience: It's a Hybrid but Is It a Volvo or a Lemon?*, 33 COLUM. J.L. & ARTS 471, 474–76 (2010), <https://perma.cc/B559-JH3E> (reviewing the Nordic ECL model on which the Copyright Office's proposal is based).

³²⁸Memorandum of Understanding on Key Principles on the Digitization and Making Available Out of Commerce Works, European Commission, Sept. 20, 2011, http://ec.europa.eu/internal_market/copyright/out-of-commerce/index_en.htm (hereinafter EU MoU).

³²⁹ U.S. COPYRIGHT OFFICE, *supra* note 15, at 80.

nication with rightsholder groups, and procedures for addressing uses of works should an owner come forward might all be addressed. Even without a high level MoU, digitizers may be able to work with associations and other groups to negotiate broad guidelines for specific uses and for specific works, such as digitization of films thought to be orphaned in special collections.

The value of such agreements is primarily that they would limit exposure to suit from those parties that voluntarily agreed to them. Thus, risk of suits from those associations of rightsholders or CROs that sign on would be minimized. Voluntary agreements, of course, would not bind rightsholders who are not a party, leaving open the possibility of suit from a yet-to-emerge individual rightsholder of an orphan work.

Negotiated guidelines of this sort can be problematic for other reasons. They can become out of date and stifle uses of works as practices change. This is especially true when those guidelines attempt to define the scope of specific legal doctrines, such as fair use. The Classroom Guidelines, for example, were negotiated with rightsholders as part of an understanding about fair use of material reproduced for teaching uses. But, created in the 1970s, the Guidelines contain limits on copying that are now largely out of sync both with fair use law and modern teaching practices.³³⁰ Consensus for creating negotiated guidelines for uses of copyrighted works can be, as recent history has shown, time consuming and difficult to effectively achieve.³³¹ Thus, digitizers who seek out broader permissions in an orphan works project should exercise caution, assessing both the time and effort devoted to such a project and the potential long-term consequences of establishing negotiated agreements.

BROAD PERMISSIONS THROUGH CLASS ACTION SETTLEMENT

Initiating a class action lawsuit for the purposes of obtaining a binding settlement agreement is another way to clear rights on a mass scale. Such a strategy is highly aggressive (it certainly isn't minimizing the likelihood of a dispute, but walking into one, albeit on one's own terms) and costly. If anything, this is a strategy that is unlikely to be used except by well-resourced digitizers who seek broad agreements covering large numbers of works. Only one digitizer, Google, has tried it, with mixed results. Because of the significance of that effort, I review it here and outline some of the substantial challenges to this approach.

Class actions are a procedural tool available under current law to consolidate common questions of fact or law into a single case. Among other things, class actions promote efficiency by avoiding duplicitous suits and promote justice by avoiding inconsistency among many suits addressing simi-

³³⁰ See Kenneth D. Crews, *The Law of Fair Use and the Illusion of Fair-Use Guidelines*, 62 OHIO ST. L.J. 599 (2001), <https://perma.cc/B66W-XQ48>.

³³¹ THE CONFERENCE ON FAIR USE, FINAL REPORT TO THE COMMISSIONER ON THE CONFERENCE ON FAIR USE (1998), <https://perma.cc/P93N-GDSX>.

lar questions.³³² Because class actions can bind parties who are not actually present in the suit, the Federal Rules of Civil Procedure contain several safeguards to ensure that the process protects those absent parties' interests. Two aspects of those rules are relevant here. First, the class action mechanism may be used, if at all, only in cases where "(1) the class is so numerous that joinder of all members is impracticable; (2) there are questions of law or fact common to the class; (3) the claims or defenses of the representative parties are typical of the claims or defenses of the class; and (4) the representative parties will fairly and adequately protect the interests of the class."³³³ Second, for class action settlements that will bind absent parties, the Rules provide that the court must approve the proposed settlement "only after a hearing and on finding that it is fair, reasonable, and adequate."³³⁴

In light of those safeguards, it remains unclear whether a class action could be used for a case involving a class made up of a large number of orphan works' rightsholders. The only case so far to test this is *Authors Guild, Inc. v. Google Inc.*, which offers mixed signals on how such a suit would proceed. That case was filed in 2005 by the Authors Guild, a membership association of more than 8000 authors, mostly trade book authors, and several individual authors as representatives of a class defined broadly as "[a]ll persons residing in the United States who hold a United States copyright interest in one or more Books reproduced by Google as part of its Library Project, who are either [individual authors or their heirs]"³³⁵ The suit was centered around Google's massive digitization project, which involved copying millions of in-copyright books from academic and research libraries for the creation of Google Books, a service that allows users to conduct text searches of the content of those books and, in some cases, view "snippets" showing search results in context with the surrounding text.³³⁶

The case had a long and complex history leading up to settlement negotiations and, eventually,³³⁷ a proposed class action settlement agreement. That agreement would have allowed Google, among other things, to make full-text display uses of some works, including works that were identified as "unclaimed."³³⁸ An amended version of the settlement agreement went before the district court in

³³² See 7A CHARLES ALAN WRIGHT, ARTHUR R. MILLER & EDWARD H. COOPER, FEDERAL PRACTICE AND PROCEDURE § 1751 (3d ed. 1998).

³³³ FED. R. CIV. P. 23(a), <https://perma.cc/M9BR-T9SD>.

³³⁴ FED. R. CIV. P. 23(e)(2).

³³⁵ *Authors Guild, Inc. v. Google Inc.*, 721 F.3d 132, 133–34 (2d Cir. 2013), <https://casetext.com/case/authors-guild-inc-v-google-inc>.

³³⁶ *Id.*

³³⁷ See Jonathan Band, *The Long and Winding Road to the Google Books Settlement*, 9 JOHN MARSHALL REV. INTELL. PROP. L. 227 (2009), <https://perma.cc/2AX5-ZSAZ>.

³³⁸ *Authors Guild v. Google Inc.*, 770 F. Supp. 2d 666, 682 (S.D.N.Y. 2011), <https://casetext.com/case/guild-v-google-inc>.

2009, and the required “fairness hearing” on final approval was held in 2010.³³⁹ Ultimately, the district court rejected the amended settlement agreement, citing as a major factor the concerns expressed by class members, several of which related specifically to uses of orphan works.³⁴⁰ The court worried, for one, that using the class action to in essence license orphan works to Google would be usurping the role of Congress: “the questions of who should be entrusted with guardianship over orphan books, under what terms, and with what safeguards are matters more appropriately decided by Congress than through an agreement among private, self-interested parties.”³⁴¹

The court also expressed concerns that the representatives in the suit, named class members, could not adequately represent the interest of owners of unclaimed works, particularly because the settlement agreement would have authorized forward-looking relief: “While it is true that in virtually every class action many class members are never heard from, the difference is that in other class actions class members are merely releasing “claims” for damages for purported past aggrievements. In contrast, here class members would be giving up certain property rights in their creative works, and they would be deemed—by their silence—to have granted to Google a license to future use of their copyrighted works.”³⁴² Similarly, the court noted that antitrust concerns (Google would effectively have a license to orphan works that no other party could reasonably obtain) were problematic.³⁴³ Ultimately, the court rejected the settlement agreement as not fair, adequate, or reasonable.³⁴⁴

What is telling about the court’s conclusions on orphan works is that, unlike other objections noted in the opinion, none are particularly unique to Google’s use or the specific terms of the settlement agreement. Almost any effort to use a class action to obtain broad permissions for forward-looking relief for uses of orphans—effectively permission to use the orphan works on an ongoing basis—would raise questions about Congress’s role in crafting a broad orphan works licensing solution and about the adequacy of named parties to represent absent orphan works’ owners.

Beyond the challenges with a settlement agreement, simply maintaining a class action suit might be difficult under the four general class action requirements spelled out in the Federal Rules of Civil Procedure, which require (1) numerosity of parties; (2) common questions of law and fact; (3) typicality of claims and defenses; and (4) adequacy of representation.³⁴⁵ Again, the *Authors Guild v. Google, Inc.* lawsuit gives probably the best preview of how a court would reason through these re-

³³⁹ *Id.*

³⁴⁰ *Id.* at 676.

³⁴¹ *Id.* at 677.

³⁴² *Id.* at 680.

³⁴³ *Id.* at 682.

³⁴⁴ *Id.* at 686.

³⁴⁵ FED. R. CIV. P. 23(a), <https://perma.cc/M9BR-T9SD>.

quirements for a class action regarding orphan works. After rejecting the settlement, the court was asked to rule on a motion to certify the class, which it did while addressing each of these factors in turn. Because of the size of the project and the singular use, the court had little difficulty determining that the class met the first three requirements, that it was sufficiently numerous and that common questions prevailed, and that the claims and defenses raised were typical of the class.³⁴⁶ The court dwelled on the question of whether class representatives were representative and discussed evidence presented by Google that many class members were in favor of Google's uses, and therefore had differing views from the class representatives who brought the suit opposing Google's uses. The court ultimately rejected that argument, holding that the class representatives were adequate because their claims did not directly conflict with those of others in the class and stated that "some class members may prefer to leave the alleged violation of their rights unremedied" was not relevant for class certification.³⁴⁷ Thus, the district court certified the class.

On appeal, however, the Second Circuit was less sanguine, stating that Google's claims about inadequate representation of the class represented "an argument which, in our view, may carry some force."³⁴⁸ It vacated the district court's order and instead directed it to first consider Google's fair use defense, which it then did, deciding in Google's favor. Thus, it remains unclear how the courts would view the four class action requirements in an orphan works suit, particularly in a case with a class construed so broadly and with so many competing interests as the class in *Authors Guild v. Google, Inc.*³⁴⁹

A final barrier is that initiating a class action suit may be difficult. A digitizer could, of course, wait for a class of plaintiffs to sue. As a proactive strategy, however, a digitizer would have to attempt to name a defendant as a representative of a class and seek a declaratory judgment from a court that

³⁴⁶ *Authors Guild v. Google, Inc.*, 282 F.R.D. 384, 394 (S.D.N.Y. 2012), <https://casetext.com/case/authors-guild-v-google>, vacated in part, *Authors Guild, Inc. v. Google Inc.*, 721 F.3d 132 (2d Cir. 2013), <https://casetext.com/case/authors-guild-inc-v-google-inc>. Google argued strenuously that typicality was not met because the nature of copyright claims, which require proof of ownership, and fair use defenses, which require evidence about the nature of the works, would require individual participation and fact finding for each particular work. See Defendant Google's Opposition to the Motion for Class Certification, *Authors Guild*, 282 F.R.D. 384 (S.D.N.Y. 2012) (No. 05 Civ. 8136), <https://perma.cc/6BYY-JGUJ>.

³⁴⁷ *Id.* at 394.

³⁴⁸ *Authors Guild, Inc.*, 721 F.3d at 134.

³⁴⁹ See, e.g., *Football Ass'n Premier League Ltd. v. YouTube, Inc.*, 297 F.R.D. 64, 65–66 (S.D.N.Y. 2013), <https://casetext.com/case/football-assn-premier-league-ltd-v-youtube> ("Generally speaking, copyright claims are poor candidates for class-action treatment. They have superficial similarities.").

the digitizer's uses are permissible. Such "reverse" defendant-class suits are relatively rare, and in some jurisdictions it remains unclear whether the class action rules permit such actions.³⁵⁰

CHALLENGING STANDING OF POTENTIAL LITIGANTS

As the *Authors Guild v. Google* case illustrates, one of the risks faced by orphan works digitizers may not come from suits by orphan works' rightsholders themselves but from other parties who claim to represent the interests of orphan works' owners. Indeed, the only litigated cases that address orphan works as such were not initially filed by owners of orphan works, but by the Authors Guild, an association which holds some copyrights itself but brought suit largely on behalf of its members and through individuals asserting class-representative status in a class action lawsuit. Voluntary agreements may be one way to stem disputes with large groups or associations. Challenging the standing of those organizations to sue can also be a worthwhile strategy to cut off their ability to litigate.

To get a sense of what standing is and how to challenge it, it's helpful to start with how U.S. courts decide what cases they may hear. The U.S. Constitution extends the authority of the federal judiciary only to actual "cases and controversies,"³⁵¹ which means that courts only resolve live disputes. One of the ways federal courts go about determining what constitutes a "case or controversy" is to look at whether the plaintiff has "standing" to sue. In general, as a constitutional matter, a plaintiff only has standing if he or she can "allege personal injury fairly traceable to the defendant's allegedly unlawful conduct and likely to be redressed by the requested relief."³⁵² For "injury" that means that the plaintiff has or will imminently suffer an "invasion of a legally protected interest which is (a) concrete and particularized, and (b) actual or imminent, not 'conjectural' or 'hypothetical'."³⁵³ In other words, the plaintiff must allege actual harm that stems from something that the defendant did and for which the requested relief would remedy.

In addition, courts have recognized that third-party plaintiffs may satisfy constitutional standing requirements in some circumstances. "Associational standing carves only a narrow exception from the ordinary rule that a litigant must assert his own legal rights and interests, and cannot rest his claim to relief on the legal rights or interests of third parties."³⁵⁴ To define that narrow exception,

³⁵⁰ WILLIAM B. RUBENSTEIN, NEWBERG ON CLASS ACTIONS § 5:20 (5th ed.). See also *Henson v. E. Lincoln Twp.*, 814 F.2d 410, 414 (7th Cir. 1987), <https://casetext.com/case/henson-v-east-lincoln-tp> (discussing how a defensive-class suit might be permissible when filed as a declaratory judgment action suit).

³⁵¹ U.S. CONST. art. III, <https://perma.cc/5D3Z-VC9X>.

³⁵² *Allen v. Wright*, 468 U.S. 737, 750–51 (1984), <https://casetext.com/case/allen-v-wright-regan-v-wright>.

³⁵³ *Lujan v. Defenders of Wildlife*, 504 U.S. 555, 560–61 (1992), <https://casetext.com/case/lujan-v-defenders-of-wildlife>.

³⁵⁴ *Bano v. Union Carbide Corp.*, 361 F.3d 696, 715 (2d Cir. 2004), <https://casetext.com/case/bano-v-union-carbide-corp>.

courts follow a three part test, looking at whether “(a) [the association’s] members would otherwise have standing to sue in their own right; (b) the interests it seeks to protect are germane to the organization’s purpose; and (c) neither the claim asserted nor the relief requested requires the participation of individual members in the lawsuit.”³⁵⁵ An association need not prove that all members meet standing requirements, but only that at least one member has standing in his or her own right.³⁵⁶

In addition to those standing rules, courts have occasionally recognized the concept of “statutory standing,” which focuses on statutory commands as to who is the appropriate party to assert rights in courts under that particular statute.³⁵⁷ The Supreme Court has on several occasions referred to “statutory standing” with apparently varying meanings, but frequently in the context of whether the plaintiff falls within the class of people for whom Congress intended to create a private right of action to sue under the given statute.³⁵⁸ It remains unclear, however, what effect “statutory standing” has on the overall disposition of a case. Constitutional standing is considered a threshold issue which determines whether the court has jurisdiction. If raised, it must be answered first and presents an opportunity to cut short litigation. Whether statutory standing requirements also present a threshold jurisdictional issue is an open question.³⁵⁹

In the copyright context, at least two statutes speak to the ability of a plaintiff to bring an infringement suit in federal court. First, 28 U.S.C. § 1338 explicitly provides that federal district courts shall have exclusive jurisdiction over copyright suits.³⁶⁰ Section 501(b) of the Copyright Act

³⁵⁵ *Hunt v. Wash. State Apple Adver. Comm’n*, 432 U.S. 333, 343 (1977), <https://casetext.com/case/hunt-v-washington-state-apple-advertising-commission>.

³⁵⁶ See *Warth v. Seldin*, 422 U.S. 490, 511 (1975), <https://casetext.com/case/warth-v-seldin> (“The association must allege that its members, or any one of them, are suffering immediate or threatened injury as a result of the challenged action of the sort that would make out a justiciable case had the members themselves brought suit.”).

³⁵⁷ For a good explanation of how “statutory standing” is used in federal case law, see Radha A. Pathak, *Statutory Standing and the Tyranny of Labels*, 62 OK. L. REV. 89, 91 (2009), <https://perma.cc/3SJB-F6CK> (reviewing the variety of ways that statutory standing questions arise but generalizing that the central inquiry is “whether a statute creating a private right of action authorizes a particular plaintiff to avail herself of that right of action.”).

³⁵⁸ See *id.*

³⁵⁹ See *Authors Guild, Inc. v. Hathitrust*, 902 F. Supp. 2d 445, 452 (S.D.N.Y. 2012), <https://casetext.com/case/authors-guild-inc-v-hathitrust> (concluding that statutory standing requirements in copyright are not jurisdictional). See also *Reed Elsevier, Inc. v. Muchnick*, 559 U.S. 154, 161 (2010), <https://casetext.com/case/reed-elsevier-v-muchnick> (distinguishing “jurisdictional” and “claims processing” rules); *Lexmark Int’l, Inc. v. Static Control Components, Inc.*, 134 S. Ct. 1377, 1387 n.4 (2014), <https://perma.cc/DYW3-5MRH>.

³⁶⁰ 28 U.S.C. § 1338 (2015), <https://perma.cc/L477-87ZS> (“The district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights and trademarks. No State court shall have jurisdiction over any claim for relief arising under any Act of Congress relating to patents, plant variety protection, or copyrights.”). Federal courts would have jurisdiction anyway

provides that only “the legal or beneficial owner of an exclusive right under a copyright is entitled, subject to the requirements of section 411 (registration), to institute an action for any infringement.”³⁶¹

For associations asserting rights on behalf of orphan works’ owners, the Google Books litigation and a related suit, *Authors Guild, Inc. v. HathiTrust*, have helped answer whether those litigants can bring suit on behalf of their members. In both suits, the courts ultimately concluded that they could not. The district courts in both cases were asked to decide whether the Authors Guild (and a handful of other co-plaintiff associations) had constitutional standing under the associational standing test outlined above.³⁶² In both cases, the district courts concluded that the associations easily met the first two parts of the test, that (a) association members would have standing to sue in their own right and (b) that the interests the association seeks to protect are germane to the organization’s purpose). For the third part of the test, that “neither the claim asserted nor the relief requested requires the participation of individual members in the lawsuit,” the courts likewise concluded that the associations could meet that test, though with more difficulty. Both Google and HathiTrust argued that individual participation of association members would be necessary to prove which copyrights they owned and the evaluate the fair use defense.

The court in *Authors Guild v. Google, Inc.* reasoned that individual member participation is not necessary because copyright ownership information is publicly available through the Copyright Office’s registration records. For those instances where authors have assigned some rights to publishers or others, limited individual participation would be required to determine the scope of the assignment, but not at a level that the court deemed would “make this case administratively inconvenient or unmanageable.”³⁶³ The court also rejected Google’s contention that the fair use analysis requires individual participation. Rather, the court concluded that differences among authors and works could be accommodated by addressing each as defined sub-groups.³⁶⁴ “The Court could effectively assess the merits of the fair-use defense with respect to each of these categories without

(though not exclusively) under general federal question jurisdiction. 28 U.S.C. § 1331, <https://perma.cc/L477-87ZS> (“The district courts shall have original jurisdiction of all civil actions arising under the Constitution, laws, or treaties of the United States.”).

³⁶¹ 17 U.S.C. § 501(b) (2015), <https://perma.cc/BK8Y-TAU6>. See *Saregama India Ltd. v. Mosely*, 635 F.3d 1284, 1290–91 (11th Cir. 2011), <https://casetext.com/case/saregama-india-ltd-v-mosley> (referring to Section 501(b) as the “statutory standing requirement” of the Copyright Act.); *Itar-Tass Russian News Agency v. Russian Kurier, Inc.*, 153 F.3d 82, 91 (2d Cir. 1998), <https://casetext.com/case/itar-tass-russian-news-v-russian-kurier> (“[A]n owner . . . may sue for infringement in a United States court only if it meets the standing test of 17 U.S.C. § 501(b).”).

³⁶² *Authors Guild v. Google, Inc.*, 282 F.R.D. 384, 389 (S.D.N.Y. 2012), <https://casetext.com/case/authors-guild-v-google>; *Authors Guild, Inc. v. HathiTrust*, 902 F. Supp. 2d 445, 452 (S.D.N.Y. 2012), <https://casetext.com/case/authors-guild-inc-v-hathitrust>.

³⁶³ *Google, Inc.*, 282 F.R.D. at 390.

³⁶⁴ *Id.* at 390.

conducting an evaluation of each individual work.”³⁶⁵ Addressing the same issue, the court in *HathiTrust* largely adopted the same reasoning of the district court in *Authors Guild v. Google*.³⁶⁶ While both cases were appealed, neither appeal specifically revisited this constitutional standing question.

The only other recent case to directly address constitutional standing of an association in a copyright suit is *Association for Information Media & Equipment v. Regents of the University of California*. That court in that case similarly honed in on the need for individual participation to prove ownership. In contrast to the *Google* and *HathiTrust* cases, however, it found that the association in that case could not meet the test because copyright infringement always require individualized proof of ownership. “In order to establish a claim for copyright infringement, individual copyrights owners’ participation is necessary. This is because having the rights over a copyright is essential to establishing a copyright infringement claim. . . . relief would be limited by the rights that members have over the copyrights. Therefore, [the association] as a matter of law, has failed to establish associational standing because it cannot meet the third prong of the [associational standing test].”³⁶⁷

For statutory standing, the court in *Authors Guild v. HathiTrust*, was asked to assess statutory standing under Section 501(b), which states that “the legal or beneficial owner of an exclusive right under a copyright is entitled ... to institute an action for any infringement of that particular right committed while he or she is the owner of it” and not third-party associations.³⁶⁸ The district court held that Section 501(b) was exclusionary; it “explicitly limits who may enforce copyright claims.” The Second Circuit Court of Appeals affirmed in a short declaration, stating that “the Copyright Act does not permit copyright holders to choose third parties to bring suits on their behalf.”³⁶⁹ No other court has yet directly addressed this question.

³⁶⁵ *Id.* The court did not discuss how determining copyright ownership can be a tangled process that requires individual participation of many parties, including the author. See, e.g., *Cambridge Univ. Press v. Becker*, 863 F. Supp. 2d 1190 (N.D. Ga. 2012), <https://casetext.com/case/cambridge-univ-press-v-becker> (dismissing seventeen of seventy-four infringement claims for failure to prove ownership after a weeks-long trial); see also *Art of Living Found. v. Doe*, No. 5:10-cv-05022-LHK, 2012 U.S. Dist. LEXIS 61582 (N.D. Cal. May 1, 2012), <https://casetext.com/case/art-of-living-found-v-does-1-1> (discussing three alternative theories of plaintiff’s ownership and finding that plaintiff had failed to adduce evidence necessary to prove any of the three theories correct); *Getty Images (USA), Inc. v. Advernet*, 797 F. Supp. 2d 399 (S.D.N.Y. 2011), <https://casetext.com/case/getty-images-us-inc-v-advernet-inc> (dismissing thirty-five of thirty-seven infringement claims for failure to produce evidence of ownership via exclusive licenses or other transfers of rights).

³⁶⁶ *Authors Guild, Inc. v. HathiTrust*, 902 F. Supp. 2d 445, 452 (S.D.N.Y. 2012), <https://casetext.com/case/authors-guild-inc-v-hathitrust>.

³⁶⁷ *Ass’n for Info. Media & Equip. v. Regents of the Univ. of Cal.*, No. CV 10-9378 CBM (MANx), 2011 WL 7447148, at *4 (C.D. Cal. Oct. 3, 2011).

³⁶⁸ 17 U.S.C. § 501(b) (2015), <https://perma.cc/BK8Y-TAU6>.

³⁶⁹ *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87, 94 (2d Cir. 2014), <https://casetext.com/case/authors-guild-inc-v-hathitrust-1>.

For open access orphan works projects that may be threatened with litigation by an association, particularly for mass digitization projects, the analysis is likely to be similar to that in the *Google* and *HathiTrust* cases. For the constitutional test, assuming that the associations could meet the first two requirements regarding their members' interests and the purpose of the association, the argument would center on whether the association members would need to participate individually. The *Authors Guild v. Google* and *HathiTrust* courts concluded that they did not in those cases, suggesting that there is enough publicly available information to glean sufficient information about individual copyright ownership claims. While those assertions may be optimistic, even for the largely published print book collections that Google and HathiTrust include, the case for individual participation for projects with works that have almost no public ownership information (e.g., special collections of unpublished and unregistered works) would be stronger. Challenging constitutional standing is also important because it is a threshold jurisdictional issue and may be used to cut off the suit early. Even if that challenge fails, however, the statutory standing requirement is a helpful backstop.

REDUCING RISK: MINIMIZE NEGATIVE REMEDIES

Because the risk of infringement liability is thought to be the driving reason why some users avoid orphan works, minimizing remedies has remained one of the central themes of orphan works proposals, especially legislative proposals. The Copyright Office's proposal for orphan works legislation and the bills considered by Congress were all based on a model that sought to statutorily limit remedies available against users of orphan works who had made good faith diligent searches for owners.³⁷⁰ One of the reasons why remedy limitation has retained so much appeal in the United States (while it has been largely ignored in the rest of the world) is that certain remedies, particularly statutory damages awards, significantly elevate the risk exposure associated with using copyrighted works. Unlike in many other nations,³⁷¹ in the United States, successful plaintiffs may be awarded statutory damages, which are damages elected by the plaintiff without requiring proof of actual harm, falling within a statutory range of up to \$150,000 per work infringed.³⁷² In several cases, statutory damage awards have had seemingly little relationship to the actual damages incurred,³⁷³ and so even for uses of works with limited commercial value, users may fear exposure to heavy handed consequences for their uses.³⁷⁴

For open access orphan works uses, digitizers can take a variety of steps under existing law to minimize the likelihood of negative remedies. As noted in the Current Practices section of this report, librarians have suggested focusing projects on works that are ineligible for statutory damages (such as unregistered works) or making uses for which statutory damages are unavailable (such as good faith assertions of fair use). Others, such as Professor Ariel Katz, have proposed, for example, that orphan works are ideal vehicles for “remedy tweaking” by the courts to minimize negative consequences for uses. This Section outlines strategies, again roughly in order of most practically useful and most important to least, for reducing risk in the four primary areas where remedies are incurred: 1) monetary damages, 2) injunctive relief, 3) attorney fees and costs, and 4) criminal penalties.

³⁷⁰ See *infra* Appendix A.

³⁷¹ Pamela Samuelson, Phil Hill, & Tara Wheatland, *Statutory Damages: A Rarity in Copyright Laws Internationally, But For How Long?*, 60 J. COPYRIGHT SOC'Y U.S.A 529, 536–44 (2013), <https://perma.cc/NT97-TC7Z>.

³⁷² 17 U.S.C. § 504, <https://perma.cc/BK8Y-TAU6>.

³⁷³ See, e.g., *Capitol Records, Inc. v. Thomas*, 579 F. Supp. 2d 1210 (D. Minn. 2008), <https://casetext.com/case/capitol-records-inc-v-thomas>. See also Pamela Samuelson & Tara Wheatland, *Statutory Damages in Copyright Law: A Remedy in Need of Reform*, 51 WM. & MARY L. REV. 439, 480 (2009), <https://perma.cc/9PEM-7ZUZ> (discussing examples of cases in which awards were excessive or arbitrary).

³⁷⁴ This may be why even for organizations such as the Association of Research Libraries, which largely oppose broader orphan works legislation, the specter of large damages awards has caused them to continue to support limited legislative amendments for relief from statutory damages and other awards. See Library Copyright Alliance, *supra* note 55.

MINIMIZING MONETARY DAMAGES

Digitizers have a number of options available to minimize monetary damages awards against them. For monetary damage awards, the Copyright Act provides for two types. “[A]n infringer of copyright is liable for either— (1) the copyright owner’s actual damages and any additional profits of the infringer . . . or (2) statutory damages.”³⁷⁵ Among the strategies digitizers can use to minimize the risk of these damages are (1) asserting sovereign immunity, when available, to avoid all damages awards; (2) minimizing actual damages by using works of low commercial value; and (3) minimizing statutory damages by making good-faith assertions of fair use, effectively using other defenses to create a plausible innocent infringer defense and avoid “willful” infringement.

SOVEREIGN IMMUNITY AND RETROACTIVE MONETARY RELIEF

One of the most significant shields from monetary relief is sovereign immunity. Since the 1990s, the Supreme Court has decided a number of cases regarding the role of the 11th Amendment and how it relates to the ability of federal courts to impose monetary damages awards on state governments.³⁷⁶ The result of those decisions is that state governments are now largely immune, under the doctrine of sovereign immunity, from almost all retrospective monetary relief ordered by federal courts. The courts have held that this even holds true in cases, such as with the Copyright Act, where Congress has explicitly expressed its intent to abrogate state sovereign immunity.³⁷⁷

In intellectual property cases, courts have confirmed that this principle applies to state universities and state-run schools and hospitals.³⁷⁸ Perhaps because of sovereign immunity, plaintiffs in several recent infringement lawsuits against state educational institutions have not sought monetary dam-

³⁷⁵ 17 U.S.C. § 504(a), <https://perma.cc/BK8Y-TAU6>.

³⁷⁶ U.S. CONST. amend. XI, <https://perma.cc/3ZBV-68KX>; *Fla. PrePaid Postsecondary Educ. Expense Bd. v. Coll. Sav. Bank*, 527 U.S. 627 (1999), <https://casetext.com/case/florida-ppd-postsec-ed-exp-bd-v-college-sav-bk> (Congress cannot abrogate state sovereign immunity using its powers under the intellectual property clause).

³⁷⁷ 17 U.S.C. § 511, <https://perma.cc/BK8Y-TAU6>. Several courts have now held that this attempt at abrogation was ineffective. See, e.g., *Nat’l Ass’n of Bds. of Pharmacy v. Bd. of Regents of the Univ. Sys. of Ga.* 633 F.3d 1297 (11th Cir. 2011), <https://casetext.com/case/natl-assn-of-bd-v-bd-of-regents>; *Rodriguez v. Tex. Comm’n on the Arts*, 199 F.3d 279, 53 (5th Cir. 2000), <https://casetext.com/case/rodriguez-v-texas-commission-on-the-arts>; *Mktg. Info. Masters, Inc. v. Bd. of Trs. of Cal. State Univ. Sys.*, 552 F. Supp. 2d 1088 (S.D. Cal. 2008), <https://casetext.com/case/marketing-information-masters-v-cal-state-univ>.

³⁷⁸ See *Pennhurst State Sch. & Hosp. v. Halderman*, 465 U.S. 89, 102–03 (1984), <https://casetext.com/case/pennhurst-state-school-hospital-v-halderman> (“[W]hen a plaintiff sues a state official alleging a violation of federal law, the federal court may award an injunction that governs the official’s future conduct, but not one that awards retroactive monetary relief . . . [R]etroactive relief was barred by the Eleventh Amendment.”); *Chavez v. Arte Publico Press*, 204 F.3d 601, 603 (5th Cir. 2000), <https://casetext.com/case/chavez-v-arte-publico-press-5>; *Mktg. Info. Masters, Inc.* 552 F. Supp. 2d at 1095.

ages.³⁷⁹ Sovereign immunity may also explain why some state university libraries and archives have felt emboldened enough to participate in major mass digitization initiatives, such as Google Books,³⁸⁰ that would otherwise represent great exposure to liability.

There are some significant limits on the extent of sovereign immunity. Not all state government actors qualify. Only arms of the state enjoy immunity; branches of local and municipal governments do not.³⁸¹ Thus, public libraries, local archives, and locally-run historical societies that are part of the local government are not immune. Further, sovereign immunity only shields the state from *monetary* awards. Federal courts remain free to award prospective relief in appropriate cases, such as entering an injunction ordering state officials to do or not do a particular act.³⁸²

In terms of a strategy for applying sovereign immunity to orphan works, institutions either have sovereign immunity or they do not. As a matter of risk assessment, digitizers should be well aware before undertaking projects whether they have access to sovereign immunity and whether there are any special considerations in their state that would limit that immunity in copyright suits.³⁸³ For digitizers that do not have sovereign immunity, one suggestion might be to think about whether it would be possible to develop agreements to shift particularly risky collections to state institutions for digitization and digital access.³⁸⁴

³⁷⁹ See First Amended Complaint, *Cambridge Univ. Press v. Becker*, 868 F. Supp. 2d 1190 (N.D. Ga. 2012) (No. 1:08-CV-1425-ODE), <https://perma.cc/6YF3-GEKK> (requesting only injunctive relief and attorney's fees and costs), *rev'd*, *Cambridge Univ. Press v. Patton*, 769 F.3d 1232 (11th Cir. Ga. 2014); Amended Complaint, *Authors Guild, Inc. v. HathiTrust*, 902 F. Supp. 2d 445 (S.D.N.Y. 2011) (No. 11 CV 6351 (HB)), <https://perma.cc/9VWD-MGEH> (demanding an injunctive relief and attorneys' fees and costs), *aff'd in part, vacated in part and remanded*, *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87 (2d Cir. N.Y. 2014). *But see* Second Amended Complaint, *Ass'n for Info. Media & Equip. v. Regents of the Univ. of Cal.*, 2011 U.S. Dist. LEXIS 154011 (C.D. Cal. filed Oct. 24, 2011) (No. CV 10-9378 CBM (MANx)), <https://perma.cc/7HML-BD2U> (demanding an injunction in addition to statutory damages, punitive damages, lost profits, licensing fees, pre- and post-judgment interest, and attorneys' fees and costs).

³⁸⁰ See Samuelson, *supra* note 303, at 484.

³⁸¹ *Mt. Healthy City Sch. Dist. Bd. of Educ. v. Doyle*, 429 U.S. 274, 280 (1977), <https://casetext.com/case/mt-healthy-city-school-district-board-of-education-v-doyle> (sovereign immunity extends to "States and state officials in appropriate circumstances . . . but does not extend to counties and similar municipal corporations.").

³⁸² *Pennhurst State Sch. & Hosp.*, 465 U.S. at 102-03.

³⁸³ The Supreme Court has always held that states may voluntarily waive their immunity. *Cohens v. Virginia*, 19 U.S. (6 Wheat.) 264, 406 (1821), <https://casetext.com/case/cohens-v-virginia>.

³⁸⁴ Such an arrangement would need to be careful to avoid secondary liability on the part of the original, non-sovereign digitizer.

ACTUAL DAMAGES

A successful copyright plaintiff may elect to receive either actual damages or, if eligible, statutory damages. For actual damages, the statute provides that the copyright owner is also entitled to receive “profits of the infringer that are attributable to the infringement and are not taken into account in computing the actual damages.”³⁸⁵ Actual damages, as the term implies, must be based on actual harm, not speculative harm. They can include things such as lost licensing fees,³⁸⁶ loss of goodwill,³⁸⁷ and market value of the work,³⁸⁸ among other things. The same is true for profits – they must be profits attributable to the work and not other aspects of the infringer’s business.³⁸⁹

For open access orphan works projects, actual damages are likely to be minimal. For most orphan works, lost licensing fees and market value would be close to zero. For profits, some open access projects may generate revenue (e.g., though an ad-supported delivery platform), but the profits attributable to a given work would likely be minimal as well.

STATUTORY DAMAGES

Statutory damages are among the greatest concern for orphan works digitizers. In cases when they are available, these damages can be high. The Copyright Act provides that the ordinary range for statutory damages awards is between \$750 and \$30,000 per work infringed, “as the court considers just.”³⁹⁰ Statutory damages can be reduced to as low as \$200 in cases of innocent infringement and can be extended to as high as \$150,000 per work infringed for willful infringement.³⁹¹

There are several important limitations on statutory damages that digitizers should consider. First, statutory damages are only available for infringements of works that were registered with the Copyright Office before the time of the infringement.³⁹²

³⁸⁵ 17 U.S.C. § 504(b) (2015), <https://perma.cc/BK8Y-TAU6>.

³⁸⁶ *Kleier Advert., Inc. v. John Deery Motors, Inc.*, 834 F. Supp. 311 (N.D. Iowa 1993), <https://casetext.com/case/kleier-advertising-inc-v-john-deery-motors-inc>.

³⁸⁷ *TVT Records v. Island Def Jam Music Grp.*, 279 F. Supp.2d 366 (S.D.N.Y. 2003).

³⁸⁸ *Eales v. Envtl. Lifestyles, Inc.*, 958 F.2d 876 (9th Cir. 1992), <https://casetext.com/case/eales-v-environmental-lifestyles-inc>.

³⁸⁹ See, e.g., *Polar Bear Prods., Inc. v. Timex Corp.*, 384 F.3d 700 (9th Cir. 2004), <https://casetext.com/case/polar-bear-prod-v-timex-corp-03-35188-9th-cir-9-3-2004>.

³⁹⁰ 17 U.S.C. § 504(c)(1), <https://perma.cc/BK8Y-TAU6>.

³⁹¹ 17 U.S.C. § 504(c)(2), <https://perma.cc/BK8Y-TAU6>.

³⁹² 17 U.S.C. § 412, <https://perma.cc/BK8Y-TAU6> (“ . . . no award of statutory damages or of attorney’s fees, as provided by sections 504 and 505, shall be made for—(1) any infringement of copyright in an unpublished work commenced before the effective date of its registration; or (2) any infringement of copyright commenced after

Second, that statute provides that “[t]he court shall remit statutory damages in any case where an infringer believed and had reasonable grounds for believing that his or her use of the copyrighted work was a fair use . . . if the infringer was . . . an employee or agent of a nonprofit educational institution, library, or archives acting within the scope of his or her employment who, or such institution, library, or archives itself, which infringed by reproducing the work in copies or phonorecords.”³⁹³ That provision is helpful for digitizers of those types, though it’s important to know that this provision has never been tested in court.

Third, statutory damages are subject to an “innocent infringer” provision, which provides that if an infringer can prove that she “was not aware and had no reason to believe that his or her acts constituted an infringement of copyright” the court may reduce to award to a sum not less than \$200.³⁹⁴ In practice, innocent infringement has been somewhat difficult to prove, requiring the defendant to show that she “was not aware and had no reason to believe that his or her acts constituted an infringement of copyright.”³⁹⁵ Courts have interpreted this narrowly, insisting that defendants show not only a good faith belief that their conduct was noninfringing, but also that there was a reasonable basis for that belief.³⁹⁶ For sophisticated users with knowledge of the copyright system, such as many digitizing libraries and archives, this standard may be difficult to meet. Notice of copyright ownership also plays a special role in determining the availability of the innocent infringer defense. In cases where notice is properly affixed on copies of the work, courts are instructed that “no weight shall be given to such a defendant’s interposition of a defense based on innocent infringement in mitigation of actual or statutory damages, except as provided in the last sentence of section 504 (c)(2) [an educational user’s good faith reliance on fair use].”³⁹⁷

For orphan works digitizers, one strategy might be to favor works that are unlikely to be registered with the Copyright Office and thus ineligible for statutory damages. Unpublished material, home photographs, letters, and ephemera are all unlikely to be eligible for statutory damages because those types of works are not ordinarily registered with the Copyright Office. Digitizers should also give careful consideration to their fair use defense rationale, as that takes on extra weight not just as a defense but as a tool, when relied upon in good faith, to mitigate a statutory damages award. Note too that relief from statutory damages in cases of reasonable reliance on fair use would be absolute; the statute provides that courts “shall remit” statutory damages, not “may.” For access to an innocent infringement defense, again, the reasonableness of one’s defenses would be im-

first publication of the work and before the effective date of its registration, unless such registration is made within three months after the first publication of the work.”)

³⁹³ 17 U.S.C. § 504(c)(2), <https://perma.cc/BK8Y-TAU6>.

³⁹⁴ *Id.*

³⁹⁵ See 5–14 NIMMER, *supra* note 246 § 14.04[B] [2] [a] (2015). See also R. Anthony Reese, *Innocent Infringement in U.S. Copyright Law: A History*, 30 COLUM. J.L. & ARTS 133 (2007), <https://perma.cc/2EU6-V44A>.

³⁹⁶ *Id.*

³⁹⁷ 17 U.S.C. § 401(d), <https://perma.cc/BK8Y-TAU6>.

portant. Likewise, recall that laches and more general delay in bringing suit is something that the courts may consider when reducing damage awards. Because innocent infringement is limited to uses of works that do not contain a copyright notice, the most likely candidate works would be those types of works that have never been commercialized and for which owners never saw the need to affix a copyright notice.

Limit Injunctive relief

The Copyright Act allows courts broad discretion in granting injunctive relief, providing that a court “may” grant injunctive relief “on such terms as it may deem reasonable.”³⁹⁸ It also specifically allows courts to order the seizure and destruction of copies, again, if the court deems such steps necessary in its discretion.³⁹⁹ Injunctive relief may not be a major concern in orphan works cases involving suits by individual rightsholders. Presumably, libraries or archives would be happy in many cases to voluntarily take down works that have been identified by legitimate owners. Nevertheless, there may be circumstances when a digitizer wants to avoid injunctive relief requiring removal or even destruction of copies of the work.

Injunctions are within the discretion of the court and are not automatic. To obtain a permanent injunction, the Supreme Court has held that a plaintiff must show “(1) that it has suffered an irreparable injury; (2) that remedies available at law, such as monetary damages, are inadequate to compensate for that injury; (3) that, considering the balance of hardships between the plaintiff and defendant, a remedy in equity is warranted; and (4) that the public interest would not be disserved by a permanent injunction.”⁴⁰⁰ In the past, courts had almost automatically granted injunctions in copyright suits. Since the Supreme Court announced that four part rule, not much has changed, though there are some signs that courts are now carefully weighing whether injunctions are necessary.⁴⁰¹

For digitizers, orphan works present a special situation under that four part test and should be favored against injunctions, especially when orphan works are incorporated into other works used as an integral part of some socially valuable work.⁴⁰² Take for instance a plaintiffs’ proposed injunction to dismantle or destroy a large database of orphan works that has been used for research or

³⁹⁸ 17 U.S.C. § 502(a), <https://perma.cc/BK8Y-TAU6>.

³⁹⁹ 17 U.S.C. § 503, <https://perma.cc/BK8Y-TAU6>.

⁴⁰⁰ *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006), <https://casetext.com/case/ebay-inc-v-mercexchange-11-c-2>.

⁴⁰¹ Jairui Liu, *Copyright Injunctions After eBay: An Empirical Study*, 16 LEWIS & CLARK L. REV. 215 (2012), <https://perma.cc/RQ3A-XQ52> (analyzing cases to 2010); Jake Phillips, *Ebay’s Effect on Copyright Injunctions: When Property Rules Give Way to Liability Rules*, 24 BERKELEY TECH. L.J. 405, 420 (2009), <https://perma.cc/6W88-YW57> (courts still regularly grant injunctions).

⁴⁰² Katz, *supra* note 163; Phillips, *supra* note 401.

scholarship, assembled only after efforts to notify rightsholders were met with a long delay between notification and suit. The delay in suit, just as in the “exceptional” cases cited above in the discussion of laches, suggests that a court should not grant such a destructive request because the balance of hardships would weigh against the digitizer and because it would not serve the public interest.

ATTORNEY’S FEES AND COSTS

For digitizers on the losing end of a lawsuit, attorney’s fees and costs are another significant consideration. As discussed above, federal copyright litigation is expensive and can run into the hundreds of thousands or even millions of dollars in legal fees. The Copyright Act includes a provision that allows courts to, “in its discretion” grant allow a party to recovery of “costs” which can include an award of reasonable attorney’s fees to the prevailing party.⁴⁰³ Such an award is not entirely anomalous in the U.S. legal system, but it is at odds with the ordinary U.S. rule that each party bears his own costs of litigation.

The courts are currently split on exactly who a “prevailing party” is in a copyright suit, and thus when attorney’s fees and costs are appropriate to award.⁴⁰⁴ In December 2015, the Supreme Court granted a petition for certiorari to resolve the dispute.⁴⁰⁵ Regardless of the rule adopted by the Supreme Court, however, defendants who lose will not be entitled to attorney’s fees and costs in any case.

One strategy to consider to actually obtain attorney’s fees and costs, even as the losing party, is to use an “offer of judgment” early on in the litigation.⁴⁰⁶ Under the Federal Rules of Civil Procedure, Rule 68, a defendant may at any time earlier than 10 days before trial make an “offer of judgment” to the plaintiff. If the plaintiff rejects the defendant’s offer and then the final judgment in the case for the plaintiff is not more favorable than the defendant’s offer, the plaintiff must pay the defendant’s costs. As one court explained, “Rule 68 is designed to ‘require plaintiffs to think very hard about whether continued litigation is worthwhile,’ and compensate defendants for costs they ought not have had to incur.”⁴⁰⁷

⁴⁰³ 17 U.S.C. § 505 (2015), <https://perma.cc/BK8Y-TAU6>.

⁴⁰⁴ See also Peter S. Menell & Ben Depoorter, *Using Fee Shifting to Promote Fair Use and Fair Licensing*, 102 CALIF. L. REV. 53 (2014), <https://perma.cc/28A7-Z4SU>.

⁴⁰⁵ Petition for Writ of Certiorari, *Kirtsaeng v. John Wiley & Sons, Inc.*, 2016 U.S. LEXIS 629 (U.S. 2016) (No. 15-375), <https://perma.cc/7SAZ-VCZT>.

⁴⁰⁶ FED. R. CIV. P. 68 (2015), <https://perma.cc/M9BR-T9SD>.

⁴⁰⁷ *UMG Recordings, Inc. v. Shelter Capital Partners LLC*, 718 F.3d 1006, 1033 (9th Cir. 2013), <https://casetext.com/case/umg-recordings-inc-v-shelter-capital-partners-llc>.

Rule 68 is not available in every jurisdiction. Several circuit courts have now ruled that because Rule 68 and the Copyright Act's provision of attorney's fees conflict (Rule 68 allows for awards to the losing party, while the Copyright Act favors awards to, if anyone, the prevailing party), the Copyright Act will take precedence and Rule 68 offers of judgment will not be awarded.⁴⁰⁸ So far, only the Eleventh Circuit and one district court have published opinions ruling that Rule 68 offers of judgment can award attorney's fees and costs to a losing defendant in a copyright case.⁴⁰⁹

AVOID CRIMINAL PENALTIES

Finally, criminal penalties for open access orphan works projects are highly unlikely. To be thorough though, digitizers should understand that criminal copyright penalties are available against infringers who committed the infringement “for purposes of commercial advantage or private financial gain” or who committed the infringement “by reproduction or distribution . . . during any 180 day period, of 1 or more copies works. . . of 1 or more copyrighted works, which have a total retail value of more than \$1,000 . . .”⁴¹⁰ Thus, digitizers concerned about criminal liability for orphan works' uses should be careful to avoid gaining commercial advantage through their orphan works' access projects and limit reproduction of works of significant value.

⁴⁰⁸ 6 PATRY, *supra* note 212 § 22:215 (Attorney's fees and Rule 68 offer of judgment—Is there a conflict between section 505 and Fed. R. Civ. P. 68?) (listing cases).

⁴⁰⁹ *Jordan v. Time, Inc.*, 111 F.3d 102, 105 (11th Cir. 1997), <https://casetext.com/case/jordan-v-time-incorporated>; *Lucas v. Wild Dunes Real Estate, Inc.*, 197 F.R.D. 172, 175 (D.S.C. 2000).

⁴¹⁰ 17 U.S.C. § 506 (2015), <https://perma.cc/BK8Y-TAU6>.

CONCLUSION AND PRACTICAL APPLICATION

There are many ways to reduce the risks associated with providing open access to orphan works. Libraries and archives already use fair use, diligent searches, notice-and-takedown policies, and more general risk-management techniques in practice to provide online access to many orphan works. Those strategies deserve recognition as being effective; so far, despite many example collections online containing orphan works, the numbers for reported copyright disputes are strikingly low.

For defenses to infringement, digitizers have several options alongside fair use, to defend their actions. Two of the most significant are:

- For projects that include material already digitized under some other legal justification
 - Conducting required investigations under Section 108(e) to provide full-text copies of textual works to patrons;
 - Conducting required investigations under Section 108(h) to provide full-text copies of older (1923-1941) published works to patrons;
- Develop a laches defense for all types of works
 - By providing broad notification to potential rightsholders through publicity efforts;
 - By using the Copyright Office's recordation system for works that are eligible for constructive notice-by-recordation;
 - By delaying use for a sufficient period of time to allow notification to be effective

Digitizers seeking additional ways to reduce risk should consider applying some of the many strategies described in this report. For minimizing the risk of suit or cutting off suits quickly, digitizers can consider using:

- Quitclaim grants of rights in cases where some individuals or organizations associated with orphan works are locatable;
- Broader grants of permission for large-scale projects through voluntary agreements or (for particularly aggressive digitizers) through class actions;
- For digitization projects that draw concerns about lawsuits from associations, a developed argument in opposition to those organizations' standing to sue

To minimize remedies, digitizers should consider:

- Structuring digitization projects so that the riskiest materials are held and digitized by organizations with sovereign immunity;
- Recognize when projects are using works that are likely to be unregistered and thus not subject to statutory damages;
- Develop a good-faith fair use argument for uses to fall within the statutory damages safe harbor in Section 504(c)(2);
- Focus on projects that use works that do not contain a copyright notice, thus making the innocent infringement defense available;

- For avoiding injunctive relief, be prepared to articulate the public benefit of the digitization project;
- For avoiding attorney’s fees, consider making an offer of judgment under Rule 68 early on in a dispute;
- Avoid criminal penalties by not commercializing digitization projects.

Each of these strategies considered individually can be valuable for digitizers, and together can serve as a powerful set of defenses and risk management devices. For example, a digitizer could use these defenses for a group of works, which it believes with some reasonable confidence to be orphaned, to create a sort of “waiting list” of orphans, publicized widely and perhaps even registered with the Copyright Office. Doing so for a period of time without hearing from a rightsholder—say three years (the Copyright Act’s statute of limitations period)—before making any sort of use would tend to positively affect an assertion of an equitable, laches-style defense. It would also tend to reinforce the idea that a market does not exist, which would weigh positively in a fair use analysis. A cautious digitizer might also want to invoke Section 108 protections by first making the work available only on an as-requested basis, complying with the “one copy” and “non-systematic reproduction and distribution” requirements of Section 108 by only offering access to the work for a period of time through a virtual reading room or (for 108(e)) through a system in which users can make requests. After doing so for another period of time—say, another three years—the digitizer might consider lifting that restriction and allow for downloading copies of the work.

The risk management strategies outlined above could also be used on such a project. Such a project might spend some time trying to obtain quit-claim grants where possible, working with major rightsholder organizations to inform them of the scope of such a project, and obtaining agreements from them not to sue. Such a project could also use the tools that libraries and archives currently employ—limited searches for rightsholders and a functioning notice-and-takedown policy—to avoid disputes as they arise. Finally, the project might consider some of the other risk management strategies outlined above to limit the likelihood of negative consequences. Works associated with more uncertainty and risk might be handled by an organization with sovereign immunity. The project might also first focus on works that it believes are unregistered and therefore not subject to statutory damage awards, and on works for which no notice was attached, and therefore potentially subject to the innocent infringer defense.

This is just one example of how to combine these defenses and risk management strategies to provide open access to orphan works. Uncertainty about the law and the factual status of works in their collections, combined with a professional culture “imbued with a desire to respect the law,”⁴¹¹ has led many potential digitizers to take a cautious approach to using these works. The prevailing view among both policymakers and libraries and archives has been that digitization and online access to orphan works is too risky under current law; they have in the past described or-

⁴¹¹ Hirtle, *supra* note 120, at 59.

phans as copyright “landmines,”⁴¹² and have sometimes avoided digitizing them in the face of any risk, “however remote.”⁴¹³ As this report has shown, libraries and archives have lots of options both to defend their uses and to minimize risk.

⁴¹² Library Copyright Alliance, Comments Re: Orphan Works Notice of Inquiry (Mar. 25, 2005), <https://perma.cc/E824-LYNS>.

⁴¹³ U.S. COPYRIGHT OFFICE, *supra* note 8, at 36.

APPENDIX A - HOW ORPHAN WORKS BECAME A PROBLEM

For the last 20 years or so, libraries, archives, and other organizations that care about preserving and providing online access to cultural works have struggled with how to digitally preserve and provide access to their collections in the face of copyright restrictions. The orphan works problem—how to use works with unlocatable or unidentifiable rightsholders—raises special issues because of the compounded factual uncertainty about who might assert rights in these works and legal uncertainty about what consequences might await those who use these works without permission. The cause of the orphan works problem, or at least its exacerbation, can be traced to three developments since the 1970s: 1) the expansion of copyright protection, 2) the rapid increase in the number of copyrighted works produced over the last century and collected by cultural heritage institutions, and 3) the desire to shift works collected by libraries and archives from print to digital formats.⁴¹⁴

U.S. copyright protection has expanded over the last forty years in several significant ways. Under prior law, protection for published works was for a shorter term; protection was not automatic, and consequences for infringement were not as dramatic as they are today. Copyright terms lasted only twenty-eight years after the first publication of the work, with an additional twenty-eight-year term available to owners who complied with certain copyright renewal formalities.⁴¹⁵ Today, copyright protection for most new works lasts for the life of the author plus seventy years.⁴¹⁶ In the past, rightsholders were also required to take some affirmative action—compliance with “formalities”—to obtain and maintain their rights.⁴¹⁷ They were required, for instance, to include a copyright notice on the front of their work indicating the owner, the date of publication, and a copyright symbol or mark.⁴¹⁸ To maintain protection for the second twenty-eight-year term, rightsholders were required

⁴¹⁴For a more thorough outline of the causes of the orphan works problem, see David R. Hansen, *Orphan Works: Causes of the Problem* (Berkeley Digital Library Copyright Project, White Paper No. 3, 2012), <https://perma.cc/SWJ8-EHWW>. Some of the material in this section is adapted from that paper. See also U.S. COPYRIGHT OFFICE, *supra* note 15, at 34–39.

⁴¹⁵ 17 U.S.C. § 24 (1977). By the time the 1976 Copyright Act was enacted, the twenty-eight plus twenty-eight-year terms had, however, been modified by almost yearly short-term legislative extensions from 1962 to 1976, leading to a maximum term of 70 years for some works even before the more general extension of terms in the 1976 Copyright Act. See Editor’s Note, Title 17 U.S.C. (1977). See also H.R. REP. NO. 94-1476, at 139–40 (1976), <https://perma.cc/ZU93-JG87>. For a helpful collection of prior versions of compiled U.S. copyright law, see Index, COPYRIGHTDATA, <http://law.copyrightdata.com/index.php> (last visited June 11, 2016).

⁴¹⁶ 17 U.S.C. § 302 (2015), <https://perma.cc/BK8Y-TAU6>.

⁴¹⁷ Legal scholars have increasingly looked to the reintroduction of formalities as a way to help minimize the orphan works problem for works created in the future. See STEF VAN GOMPEL, *FORMALITIES IN COPYRIGHT: AN ANALYSIS OF THEIR HISTORY, RATIONALES, AND POSSIBLE FUTURE* (2011); Christopher Sprigman, *Reform(alizing Copyright)*, 57 STAN. L. REV. 485 (2004), <https://perma.cc/72AK-87NJ>; Symposium: *Reform(alizing Copyright in the Internet Age*, 28 BERKELEY TECH. L.J. 1415 (2013), <https://perma.cc/WB47-XWAM>.

⁴¹⁸ 17 U.S.C. §§10, 19 (1977).

to file a renewal registration with the U.S. Copyright Office (though very few ever did).⁴¹⁹ The notice requirement was eliminated completely in 1989⁴²⁰ and the last vestiges of the renewal registration requirement were eliminated in 1992.⁴²¹

In recent years, Congress also expanded the infringement remedies available to copyright owners.⁴²² Statutory damages, a mechanism whereby owners need not prove actual damages but can instead elect to receive an award based on a pre-set statutory range, have expanded dramatically. Prior to the 1976 Copyright Act revision, owners could elect to receive a statutory damage award in lieu of actual damages and lost profits, with a range between \$250 and \$5,000 per infringing transaction.⁴²³ Current law expands that range up to \$150,000 per work infringed.⁴²⁴ While statutory damages will not always apply—only works registered with the Copyright Office before the date of the infringement are eligible⁴²⁵—the large potential damages awards for even some works represents major risk exposure for many digitizers.

⁴¹⁹ 17 U.S.C. § 24 (1977). See WILLIAM PATRY, *MORAL PANICS AND COPYRIGHT WARS* (2014) (for a 1958–59 sample, less than 12% of most types of works [aside from movies, maps, and music] were ever renewed for a second 28 year term); Landes & Posner, *supra* note 148, at 499 (finding that the ratio of renewal registration to initial registration was between 10% to just over 20% for works initially registered between 1910 and 2000); Deirdre K. Mulligan, & Jason M. Schultz, *Neglecting the National Memory: How Copyright Term Extensions Compromise the Development of Digital Archives*, 4 J. APP. PRAC. & PROCESS 451, 458 (2002), <https://perma.cc/6FSX-DDTD> (only 12.86% of the works registered in 1930 were renewed when their first term expired in 1957).

⁴²⁰ Berne Convention Implementation Act of 1988, Pub. L. No. 100-568, § 7, 102 Stat. 2853 (1988), <https://perma.cc/MM64-RALC>.

⁴²¹ Copyright Renewal Act of 1992, Pub. L. No. 102-307, 106 Stat. 264 (1992), <https://perma.cc/6HMG-MDPC>.

⁴²² In addition to statutory damages, Congress has also added other new and more exotic liabilities, including strong criminal infringement provisions and liability for circumventing digital locks that protect copyrighted content. For example, copying works, such as DVDs, in circumvention of technological protection measures (TPMs) can now result in fines and criminal prosecution. 17 U.S.C. § 1203(c)(3)(A) (2015), <https://perma.cc/BK8Y-TAU6> (statutory damage award of between \$250 and \$2500 for unauthorized circumvention of technological protection measures); § 1204(a) (criminal penalties for circumvention for commercial gain, up to five years imprisonment); § 1204(b) (limiting criminal liability for nonprofit libraries, archives, educational institutions, and public broadcasting entities).

⁴²³ 17 U.S.C. § 101 (1977).

⁴²⁴ 17 U.S.C. § 504(c)(2) (2015), <https://perma.cc/BK8Y-TAU6>. Reforming excessive statutory damage awards has been identified as an important part of broader copyright reform efforts. See *Copyright Remedies: Hearing before the Subcomm. on Courts, Intellectual Prop. & the Internet of the H. Comm. on the Judiciary*, 113 Cong. (2014), <https://perma.cc/LB23-GZ6S>; Samuelson & Wheatland, *supra* note 373, at 497–510 (proposing reforms). The U.S. Patent and Trademark Office recently suggested reforms. See U.S. PATENT & TRADEMARK OFFICE, WHITE PAPER ON REMIXES, FIRST SALE, AND STATUTORY DAMAGES (2015), <https://perma.cc/6X43-QRPN>.

⁴²⁵ 17 U.S.C. § 412, <https://perma.cc/BK8Y-TAU6>.

How do these changes exacerbate the orphan works situation? Elimination of mandatory copyright formalities means that more works, almost every creative work that is fixed in almost any format—the email written this morning, or the notes jotted down on a napkin over lunch—is protected,⁴²⁶ and that owners, particularly those who never knew or had an interest in protecting their work, are now more difficult to identify and locate. Added to that is a term that can easily extend over more than 100 years, meaning that more works remain protected for longer and that there are more opportunities for protected works to become separated from their owners over time.⁴²⁷ Exaggerated penalties for infringement make using this enlarged universe of copyrighted works potentially costly.

Changes in practice have also worsened the situation. Just as copyright protection was expanding, so too were the number of works produced. Electronic publishing over the last twenty years has resulted in an explosion of new content. Even in the traditional world of book publishing, the number of new titles and editions “in print” has grown at an astounding rate; much of the most recent growth comes from the publication of e-books.⁴²⁸ Libraries and archives have diligently collected and preserved this expanding universe of materials. Members of the Association of Research Libraries (ARL) reported holding just over 238 million volumes in their collections for the 1976–77 year (the year of the first major Copyright revision noted above),⁴²⁹ while in 2013–14 ARL libraries reported collections nearly three times as large, at 687 million volumes total.⁴³⁰ Added to those collections are large and rapidly expanding collections containing photographs, manuscripts,

⁴²⁶ 17 U.S.C. § 106, <https://perma.cc/BK8Y-TAU6>.

⁴²⁷ Some proponents of orphan works legislation point to lengthened terms as the main culprit of the problem. Lawrence Lessig, for example, once proclaimed that “real problem of orphaned works is tied to old works.” Letter from Stanford Law Professor Lawrence Lessig to the Hon. Zoe Lofgren 4 (Mar. 6, 2006), *reprinted in Report on Orphan Works by the Copyright Office: Hearing Before the Subcomm. on Courts, the Internet, and Intellectual Prop. of the H. Comm. on the Judiciary*, 109th Cong. 123 (2006), <https://perma.cc/3TLD-F2PE>. See also U.S. REGISTER OF COPYRIGHTS, REPORT ON COPYRIGHT AND DIGITAL DISTANCE EDUCATION, at xxiv (1999), <https://perma.cc/F7CH-G2LN> (“the problem of such ‘orphan works’ may become more acute due to longer copyright terms and the expanded audience for older works made possible by digital technology”).

⁴²⁸ See *New Book Titles and Editions, 2002–2010*, BOWKER, <https://perma.cc/X6T3-TDRX> (last visited June 7, 2016) (showing growth from 2002 to 2010 of near 1000%); see also FACEBOOK, ERICSSON & XL AXIATA, MEASURING AND IMPROVING NETWORK PERFORMANCE (Sept. 2013), <https://perma.cc/42R7-ELKF> (Internet.org white paper) (rapidly expanding photo archives online); PETER LYMAN & HAL R. VARIAN, HOW MUCH INFORMATION? (2003); Peter Lyman & Hal R. Varian, *How Much Information?*, 18–3 J. ELECTRONIC PUB. (Dec. 2000), <https://perma.cc/V7PE-66V5>. More recent efforts to answer this same question (particularly, with respect to information flows) have, unsurprisingly, concluded with much higher estimates. See ROGER E. BOHN & JAMES E. SHORT, HOW MUCH INFORMATION? 2009: REPORT ON AMERICAN CONSUMERS (2009).

⁴²⁹ ASSOCIATION OF RESEARCH LIBRARIES (ARL), ARL STATISTICS 1976–1977, at 14 (1977), <https://perma.cc/5BTA-PLCP>.

⁴³⁰ ARL, ARL STATISTICS 2013–2014, at 13 (2014), <https://perma.cc/32Z3-YFSG>. Note that the 1976–77 statistics report on 105 ARL members, while the 2014–2015 statistics report on 123 ARL members.

audiovisual material and hybrid content types, such as webpages, that are preserved by the Internet Archive, among others.⁴³¹

The combined effect of expanded copyright protection and an expanding universe of copyrighted works is that there are now many works in libraries and archives for which copyright owners are difficult or impossible to locate. There are few precise estimates of the true number of orphan works, but there is general agreement that there are likely lots of them. U.S. libraries have done small-scale studies of their core published collections. In 2005, Cornell University Libraries reported that it had conducted its own rights clearance study of a sample of 343 in-copyright, out-of-print monographs. After spending more than \$50,000 in staff time, Cornell was only able to identify or locate rightsholders for 198 (58%) of those books.⁴³² Carnegie Mellon Libraries, for a similar study of a random selection of published monographs in its collection, reported similar results.⁴³³

For special collections, the question of how many works are orphans is equally as uncertain, though it seems clear that the problem is much worse. A 2010 University of North Carolina study is one of the most vivid examples of the futility and expense associated with clearing rights for these types of collections.⁴³⁴ The study focused on a collection of more than 8,400 documents relating to early 19th century correspondence of a prominent politician. After spending more than 450 hours attempting to obtain copyright permissions, the researchers were able to identify over 3,000 individual authors, but could identify dependable contact information for only four rightsholders.⁴³⁵ A similar study, focused on more recently produced material from the University of Michigan Libraries John Cohen AIDS collection, reported similar results. Of 5,463 potentially in-copyright works in the collection with copyright held by 1,377 unique rightsholders, project staff were able to identify or obtain responses for only half of the works in the collection.⁴³⁶

⁴³¹ Internet Archive reports preserving 445 billion webpages since it began operation. INTERNET ARCHIVE, STATS, <https://archive.org/about/stats.php> (last visited Feb. 13, 2016); DOOLEY & LUCE, *supra* note 48, at 25.

⁴³² Cornell University Library, Response to the Notice of Inquiry Concerning Orphan Works (Mar. 23, 2005), <https://perma.cc/NZ8W-UWMK>; see also John P. Wilkin, *Bibliographic Indeterminacy and the Scale of Problems and Opportunities of “Rights” in Digital Collection Building*, RUMINATIONS (Feb. 2011), <https://perma.cc/S6NJ-2N7H> (estimating that up to 50% of the five million works then held in the HathiTrust digital collection could be considered orphan works). Estimates from collections in other countries match these conclusions. See INTELLECTUAL PROP. OFFICE, IMPACT ASSESSMENT (FINAL), ORPHAN WORKS 10–11 (June 2012), <https://perma.cc/Y36E-HTHG> (UK).

⁴³³ Carnegie Mellon University Libraries, Response to Notice of Inquiry about Orphan Works 2 (Mar. 22, 2005), <https://perma.cc/95XW-TV4Z>.

⁴³⁴ Dickson, *supra* note 29.

⁴³⁵ *Id.* at 630.

⁴³⁶ Akmon, *supra* note 29. Studies of other special collections studies have come to similar conclusions. See, e.g., Mike Cave, Marilyn Deegan & Louise Heinink, *Copyright Clearance in the Refugee Studies Centre Digital Library Project*, RLG DIGINEWS, (Oct. 2000), <https://perma.cc/H2RM-QUQZ> (for clearances of over 8,000 special collec-

The third change that has worsened the orphan works problem is that users want access to materials online, which requires digitizers to make uses that fall within copyright owners' exclusive rights. Even with large numbers of orphan works in the collections of libraries and archives, they don't pose a special challenge unless their uses implicate the rights of copyright owners. When Congress expanded copyright protection starting in the 1970s, at least some members of Congress believed that those expansions would not pose a problem because users could still access these materials as they had before. The House Report that accompanied passage of the Act explained, "it is important to realize that the bill would not restrain scholars from using any work as source material or from making 'fair use' of it; the restrictions would extend only to unauthorized reproduction or distributions" ⁴³⁷

That statement, as it turns out, vastly underestimated the technological changes that have altered user expectations about access. While it remains true that users can continue to access physical, original copies of orphans, they cannot gain access to those works in the digital formats that they increasingly expect. Nor can libraries effectively preserve and maintain access for born-digital materials that, by the very nature of their format, must be copied to be preserved and accessed. Sitting on the library shelf, none of the copyright owners' rights are implicated, ⁴³⁸ and owners of legally-acquired copies of a work are generally free to display, lend, or sell those copies under the well-established rule that the rightsholder's public distribution rights to a particular copy are exhausted upon the "first sale" of that copy. ⁴³⁹

tion documents, explaining that "[l]ocating authors is our single biggest problem, and we get many of our communications returned as 'unknown.'"); Lynn Pritcher, *Ad*Access: Seeking Copyright Permissions for a Digital Age*, 6 D-LIB MAG. (2000), <https://perma.cc/EH6F-AUCQ>.

⁴³⁷ H.R. REP. NO. 94-1476, at 136 (1976), <https://perma.cc/ZU93-JG87>.

⁴³⁸ However, two Federal Circuit Courts of Appeal have indicated that merely listing a work in a library catalog and making it available to the public is sufficient to exercise the owner's public distribution right. See *Diversey v. Schmidly*, 738 F.3d 1196, 1201 n.7 (10th Cir. 2013), <https://casetext.com/case/diversey-v-schmidly>; *Hotaling v. Church of Jesus Christ of Latter-Day Saints*, 118 F.3d 199, 203 (4th Cir. 1997), <https://casetext.com/case/hotaling-v-church-jesus-christ-latter-day> ("When a public library adds a work to its collection, lists the work in its index or catalog system, and makes the work available to the borrowing or browsing public, it has completed all the steps necessary for distribution to the public."). Both opinions are controversial. See 4 PATRY, *supra* note 212 § 13:9 ("Hotaling should be viewed as a deeply flawed opinion."). Compare Peter Menell, *In Search of Copyright's Lost Ark: Interpreting the Right to Distribute in the Internet Age*, 59 J. COPYRIGHT SOC'Y U.S.A. 1 (2012), <https://perma.cc/EM4C-EBLR> (arguing, largely from legislative history, that the right of public distribution covers mere "offers" to distribute) with U.S. COPYRIGHT OFFICE, *THE MAKING AVAILABLE RIGHT IN THE UNITED STATES* (2015), <https://perma.cc/KP88-TK9P> (citing Menell with approval). Note that in both *Diversey* and *Hotaling*, public distribution was only raised because the works at issue were not "lawfully made" under the copyright act and therefore not subject to the first sale § 109(a) limitations on the public distribution right. Listing lawfully-made works in a catalog should not impinge distribution rights.

⁴³⁹ 17 U.S.C. § 109(a) (2015), <https://perma.cc/BK8Y-TAU6>.

Digitization, regardless of whether it is for access or simply dark-archiving for preservation, requires making new copies, sometimes many new copies,⁴⁴⁰ which implicate the rightsholder's reproduction rights. Making those new copies available to the public implicates either the owners' public distribution right, or public display or performance right. Although some digital libraries have experimented with digital lending analogous to the traditional lending model permitted under the doctrine of first sale,⁴⁴¹ the application of that doctrine to digital uses is not yet clearly established.⁴⁴²

As recognition of the problem became more widespread, the term "orphan works" was established by the late 1990s as the preferred way to describe the situation in which a work's copyright owners could not be located or identified.⁴⁴³ Orphan works have continued to generate interest from

⁴⁴⁰ Entire preservation programs are premised on the idea that decentralized and distributed preservation is the best way to ensure that preserved material is kept safe. *Preservation Principles*, LOTS OF COPIES KEEPS STUFF SAFE (LOCKSS) PRINCIPLES, <https://perma.cc/3Q87-6JEP> (last visited May 23, 2016).

⁴⁴¹ See Geoffrey A. Fowler, *Libraries Have a Novel Idea*, WALL ST. J., June 29, 2010, <https://perma.cc/8YV3-RARX>; George Oates, *Small Moves: Open Library Integrates Digital Lending*, OPEN LIBRARY BLOG, June 29, 2010, <https://perma.cc/M7W4-JLYV>.

⁴⁴² Digital first sale defense would apply broadly to all digital uses—there is nothing exceptional about exhaustion as applied to orphan works—and so a lengthy analysis of the application of a digital first sale doctrine is beyond the scope of this report, though the issue deserves more attention. Should this principle be recognized as applying to digital distribution of copyrighted works, it could have far reaching implications for digital library services, including online distribution of orphan works. A case testing this proposition was resolved on partial summary judgment in favor of the record company, *Capitol Records, LLC v. ReDigi Inc.*, 934 F. Supp. 2d 640 (S.D.N.Y. 2013) and has only recently resulted in a resolution that will likely put the issue before the Second Circuit Court of Appeals. See Eriq Gardner, *The Legality of Selling "Used" Digital Songs and Movies Headed to Appeals Court*, THE HOLLYWOOD REP. Apr. 6, 2016, <https://perma.cc/WQ3Q-W439>. See also Jennifer Jenkins, *Last Sale? Libraries' Rights in the Digital Age*, 75 COLL. & RES. LIB. NEWS 69 (2014) (explaining implications for libraries), <https://perma.cc/L79Q-N6PF>; Aaron Perzanowski & Jason Schultz, *Digital Exhaustion*, 58 UCLA L. REV. 889 (2010), <https://perma.cc/JLE4-PFNE> (explaining one rationale for courts to support digital first sale).

⁴⁴³ By 1995, Register of Copyrights Marybeth Peters had publicly outlined these concerns and suggested that Congress study the development of a mechanism to resolve these issues. See *Copyright Term Extension: Continued Hearing on H.R. 989 Before the Subcomm. on Courts and Intellectual Prop. of the H. Comm. on the Judiciary*, 104th Cong. 19 (1995) (Statement of Marybeth Peters, Register of Copyrights) (discussing the then recently created Canadian Orphan Works system) See also *id.* at 151 (letter from Robert Oakley, on behalf of the Am. Library Assoc.) ("Although institutions and researchers can, in theory, seek out the authors of individual copyrighted works and negotiate for their academic or other noncommercial use, that process is extremely time consuming and expensive."). Definitions of the term vary. See David R. Hansen, *Orphan Works: Definitional Issues* (Berkeley Digital Library Copyright Project, White Paper No. 1, 2011), <https://perma.cc/HHD2-4FT5>. By 1999, this general meaning for "orphan works" was already in use. See U.S. REGISTER OF COPYRIGHTS, *supra* note 427, at 165–66 (1999). Other early uses defined the term more broadly. See, e.g., Complaint ¶2, *Kahle v. Ashcroft*, 2004 U.S. Dist. LEXIS 24090 (N.D. Cal. Nov. 19, 2004) (No. C-04-1127 MMC) (defining "orphan works" as "books that remain under copyright, but are out of print and therefore not widely available to the public."), *aff'd*, *Kahle v.*

rightsholders, policy makers, academics, librarians, archivists, and other memory institution professionals. In response to the Copyright Office's public calls for comments in 2005⁴⁴⁴ and again in 2012,⁴⁴⁵ the Office received over 1,200 written comments on the scope of the problem, the need for a solution, and how Congress or others might craft such a solution.⁴⁴⁶ Since the early 2000s, over 500 law review articles have used the term "orphan works" (and almost fifty with the term in the article's title).⁴⁴⁷ The Library and Information Science Abstracts database identifies eighty-three articles using the term, and Google Scholar aggregates "about 4,450" results for articles or other scholarly works containing the term "orphan works," and "about 280" with the term in the title.⁴⁴⁸

Despite, or perhaps because of, the widespread interest and discussion of orphan works, very little U.S. law directly addresses uses of these works. No court has addressed what specific circumstances might allow for uses of orphan works under current copyright law. The only statutory recognition of the orphan works problem at all is Section 108(i), a provision titled the "Preservation of Orphan Works Act"⁴⁴⁹ and added to the specific statutory limitations on copyright for libraries and archives.⁴⁵⁰ While the title of that Act sounds promising, as explained in Section 4 of this report, these revisions have done relatively little to alleviate the orphan works problem.

Congress considered and even came close to passing broader legislation on orphan works in 2006 and 2008, but no bill was ever enacted.⁴⁵¹ The three bills that it did consider were based on a 2006 recommendation from the U.S. Copyright Office, which crafted its recommendation based on one of the most comprehensive studies of the problem to date.⁴⁵² The Office's 2006 recommendation was that Congress create a statute that would limit the remedies available against defendants who were unable to locate the copyright owner of a work after a "good faith, reasonably diligent

Gonzales, 474 F.3d 655 (9th Cir. Cal. 2007), *withdrawn and substituted*, *Kahle v. Gonzales*, 487 F.3d 697 (9th Cir. Cal., May 14, 2007).

⁴⁴⁴ Library of Cong., Copyright Office, *supra* note 25.

⁴⁴⁵ Library of Cong., Copyright Office, *supra* note 26.

⁴⁴⁶ The full set of public comments are available through the Copyright Office's Orphan Works page, *Orphan Works*, U.S. COPYRIGHT OFFICE, <http://copyright.gov/orphan/> (last visited May 23, 2016).

⁴⁴⁷ Search run on May 23, 2016 on WestlawNext, *Journals & Law Reviews*, for the term "orphan work" and variants.

⁴⁴⁸ Search run on May 23, 2016 using the term "orphan work."

⁴⁴⁹ See Family Entertainment and Copyright Act of 2005, Pub. L. No. 109-9, tit. IV, § 402, 119 Stat. 227 (2005), <https://perma.cc/CU5B-EZGP>.

⁴⁵⁰ 17 U.S.C. § 108(h) (2015), <https://perma.cc/BK8Y-TAU6>.

⁴⁵¹ Some of the material in this section is adapted from David R. Hansen, *Orphan Works: Mapping the Possible Solution Spaces* (Berkeley Digital Library Copyright Project, White Paper No. 2, 2012), <http://ssrn.com/abstract=2019121> (summarizing the proposed legislation).

⁴⁵² U.S. COPYRIGHT OFFICE, *supra* note 8.

search.”⁴⁵³ Rather than defining the specific method of search, however, the Copyright Office adopted what it suggested to be a “very general” search standard solicitous of the varying techniques and resources used to investigate rights status in different industry contexts.⁴⁵⁴ For users who complied with these search requirements, the Copyright Office proposal would have provided limited protection from both monetary damages and injunctive relief.⁴⁵⁵ For monetary damages, the proposal eliminated all monetary exposure (including actual damages, statutory damages, and attorney’s fees and costs) for users that made non-commercial uses of the work, provided that the use ceased upon notice of a claim of infringement.⁴⁵⁶

The three bills, The Orphan Works Act of 2006, The Orphan Works Act of 2008, and the Shawn-Bentley Orphan Works Act of 2008, closely resembled the Office’s proposal, but with several important changes. The 2006 bill,⁴⁵⁷ for example, attempted to clarify the wide-open reasonably diligent search requirement. It would have required that users document their searches in a way that would satisfy later judicial review;⁴⁵⁸ it defined several factors to guide the search, explaining that a reasonable search would, for example, ordinarily consult the Copyright Office-maintained records, and might also require consultation of an expert,⁴⁵⁹ and it would have required that the Copyright Office make available to the public authoritative search information, such as Copyright Office records, information on best search methods, technological tools to aid the search, and best practices for documenting the search.⁴⁶⁰

⁴⁵³ *Id.* at 96–108 (describing factors of the reasonably diligent search), 127 (proposed statutory language). The proposal also required that users provide “attribution to the author and copyright owner of the work, if possible and as appropriate under the circumstances.” *Id.*

⁴⁵⁴ *Id.* at 98. The Copyright Office suggested that guidelines might be developed for particular market sectors, but that the ultimate reasonableness of a search must be determined by courts on a case-by-case basis. The report went on to explain that a broad standard “is needed because of the wide variety of works and uses identified as being potentially subject to the orphan works issues, from an untitled photograph to an old magazine advertisement to an out-of-print novel to an antique postcard to an obsolete computer program. Each of these presents different challenges in trying to find a copyright owner, and what is reasonable in one circumstance will be unreasonable in another.” *Id.*

⁴⁵⁵ *Id.* at 115–19 (describing the approach’s limitation on monetary relief), 119–21 (describing the limitation on injunctive relief).

⁴⁵⁶ *Id.* at 127.

⁴⁵⁷ Orphan Works Act of 2006, H.R. 5439, 109th Cong. (2006), <https://perma.cc/AG7Z-D8ZZ> (as forwarded by subcomm. to full comm. by voice vote).

⁴⁵⁸ *Id.* at 2–3, § 2 (proposed § 514(a)(1)(A)(i)).

⁴⁵⁹ *Id.* at 3–4, § 2 (proposed § 514(a)(2)(B)). In commissioning an inquiry by the Copyright Office on the topic of small copyright claims, the bill also touched on the concern that the “reasonable compensation” standard would insufficiently compensate individual copyright owners. *Id.* at 10–11, § 4.

⁴⁶⁰ *Id.* at 4–5, § 2 (proposed § 514(a)(2)(C)).

The 2008 House and Senate bills adopted the same approach as the 2006 bill but added to the diligent search requirements. These bills would have required the Office to certify the availability and reliability of a database for searches of visual works (whose owners are often most difficult to identify and locate),⁴⁶¹ and both would have required the Office to take a more active role in developing best practices for diligent searches. In addition, the 2008 House Bill further tightened control over potential users by requiring those who planned to take advantage of the remedy-limitation statute to first file a “Notice of Use” with the Copyright Office before using the work.⁴⁶²

Continuing the evolution of these bills, the Copyright Office revisited the orphan works issue in a 2012 study, which resulted in a 2015 report and statutory recommendation that largely mirrored the additions that were made during the 2006-2008 legislative process. The Office’s 2015 recommendation was built around the same remedy-limitation model and included requirements that searches follow recommended practices promulgated by the Copyright Office and that searchers must first file a “Notice of Use” with the Office before use of the work.⁴⁶³

As of this writing, Congress has not passed orphan works legislation, and there are no active bills before it. While the initial approach proposed by the Copyright Office in its 2006 report generated considerable support among library and archives groups,⁴⁶⁴ the additions in the subsequent bills and in the Office’s 2015 report elicited objections from both rightsholders and potential users, including libraries and archives.⁴⁶⁵ The libraries and archives’ strongest objection was that requiring the Office to define and promulgate standards for “diligent search” would be onerous and ineffective, as would the “Notice of Use” requirement.⁴⁶⁶

There is also no case law directly addressing orphan works as such. A search of U.S. cases for variants of the term “orphan works” produces a total of eight judicial opinions on point. Most do little more than acknowledge that the problem exists and that Congress has considered it.⁴⁶⁷ Two cases,

⁴⁶¹ Orphan Works Act of 2008, H.R. 5889, 110th Cong., § 3 at 15–16 (2008), <https://perma.cc/Y8K9-AS9P>.

⁴⁶² *Id.* at 5, 9, § 2 (proposed § 514(b)(1)(A)(ii)–(iv), (b)(3)).

⁴⁶³ U.S. COPYRIGHT OFFICE, *supra* note 15; Appendix A (orphan works legislation discussion draft).

⁴⁶⁴ See, e.g., Press Release, Library Copyright Alliance, LCA Supports Orphan Works Act of 2006 (Sept. 7, 2006), <https://perma.cc/2Z3U-AY7P>.

⁴⁶⁵ See, e.g., Library Copyright Alliance, Comments in Response to the Copyright Office’s Notice of Inquiry Concerning Orphan Works and Mass Digitization (Jan. 14, 2013), <https://perma.cc/U8XH-6EFQ>.

⁴⁶⁶ See, e.g., Kyle K. Courtney, *The Copyright Office and the Orphan Works Report: Top Three Problems*, KYLE K. COURTNEY BLOG (July 8, 2015), <https://perma.cc/9VN4-AXH5>.

⁴⁶⁷ Search run on WestlawNext on May 23, 2016, searching “ALL CASES – State & Federal” for “orphan works.”

The cases are:

*Authors Guild v. Google, Inc.*⁴⁶⁸ and *Authors Guild, Inc. v. HathiTrust*,⁴⁶⁹ do not directly address orphan works per se, but do give some clues as to how courts will approach these works, particularly with respect to who will be permitted to bring a suit on behalf of rightsholders of orphan works. They are discussed above. A handful of other cases, reviewed below, address orphan works-like issues indirectly.

Peter Mayer Publishers Inc. v. Shilovskiy, No. 12 CIV. 8867 PGG HBP, 2015 WL 1399694, at *4 (S.D.N.Y. Feb. 26, 2015) *report and recommendation adopted in part, sub nom. Peter Mayer Publishers Inc. v. Shilovskaya*, No. 12 CIV. 8867 PGG HBP, 2015 WL 1408830 (S.D.N.Y. Mar. 26, 2015), <https://casetext.com/case/peter-mayer-publishers-inc-v-shilovskaya-1> (discussing the meaning of “reasonable compensation” for a copyrighted work restored under the Uruguay Round Agreements Act (URAA), and how the term was used in the context of congressional hearings on proposed orphan works legislation);

Three opinions in the *HathiTrust* litigation: *Authors Guild, Inc. v. HathiTrust*, 902 F. Supp. 2d 445 (S.D.N.Y. 2012), <https://casetext.com/case/authors-guild-inc-v-hathitrust> (concluding that Authors Guild’s claims against HathiTrust based on its orphan works identification project were not ripe for adjudication because HathiTrust ceased operating that project); *Authors Guild, Inc. v. HathiTrust*, No. 11 CV 6351 HB, 2013 WL 603193, at *2 (S.D.N.Y. Feb. 15, 2013), <https://perma.cc/V5LY-JR7P> (refusing to award attorney’s fees to the prevailing defendants because “on the larger question of how copyright law . . . will account for changes in technology, the Authors Guild and the other plaintiffs acted reasonably. The purposes of copyright would not be furthered were I to discourage similar participation in the future. When the Orphan Works Project is ripe, for example, I fully expect authors to protect their rights, and I will not stand in their way by penalizing them here.”); *Authors Guild, Inc. v. HathiTrust*, 755 F.3d 87, 105 (2d Cir. 2014), <https://casetext.com/case/authors-guild-inc-v-hathitrust-1> (concluding “that claims predicated upon the [University of Michigan Libraries] Orphan Works Project are not ripe for adjudication.”).

Golan v. Holder, 132 S. Ct. 873, 894 (2012), <https://casetext.com/case/golan-v-holder-2> (recognizing that the orphan works problem was likely made worse by Congress’s enactment of legislation restoring copyright to foreign works as part of an effort to comply with the Berne Convention treaty obligations, but holding that “no one has suggested that the orphan-works issue should be addressed through our [judicial] implementation of Berne, rather than through overarching legislation of the sort proposed in Congress and cited by the dissent.”)

Authors Guild v. Google Inc., 770 F. Supp. 2d 666, 677 (S.D.N.Y. 2011), <https://casetext.com/case/guild-v-google-inc> (rejecting Google Books class action settlement agreement in part because of concerns about allowing Google and the class representatives control over how orphan works are used).

Kahle v. Gonzales, 474 F.3d 665 (9th Cir.), <https://casetext.com/case/kahle-v-gonzales-2> *opinion amended and superseded on denial of reh’g*, 487 F.3d 697 (9th Cir. 2007), <https://casetext.com/case/kahle-v-gonzales> (acknowledging that the orphan works problem is the result of copyright revision over the last thirty years but dismissing plaintiff’s claim which alleged that “the change from an ‘opt-in’ to an ‘opt-out’ copyright system altered a traditional contour of copyright and therefore requires First Amendment review under [Supreme Court precedent.]”)

⁴⁶⁸ *Authors Guild v. Google, Inc.*, 804 F.3d 202 (2d Cir. 2015), <https://casetext.com/case/guild-v-google-inc-1>.

⁴⁶⁹ *Authors Guild, Inc.*, 755 F.3d at 87.

APPENDIX B – EXAMPLE OF QUITCLAIM



QUITCLAIM SPECIFIED PURPOSES

The New York Public Library, Astor, Lenox and Tilden Foundations (the “Library”) has acquired the material described below (the “Material”) and the Library wishes to reproduce and make other uses of the Material in furtherance of the Library’s tax-exempt educational mission of providing access to information and knowledge. Accordingly, the undersigned hereby acknowledges and agrees as follows:

A. The Library, as the owner of the tangible property constituting the Material and as a qualifying library, shall enjoy all exempted uses, rights and privileges accorded to it under the U.S. Copyright Law, as amended, and associated regulations.

B. The undersigned hereby grants to the Library a worldwide quitclaim of any rights it has in the Material for any of the following purposes:

(i) on the Library’s website for access by researchers, scholars and other members of the general public;

(ii) on the Library’s electronic preservation system; and

(iii) in educational materials related to the Library’s collections, exhibitions, programs, events, related publicity, promotional materials and publications.

C. This grant is without representation or warranty of any kind by the undersigned as to the ownership, validity or subsistence of copyright or any other intellectual property rights in the Material.

Material:

<insert list of photographs by the artist in the collection>

Accepted and agreed:

(Signature)

(Date)

Name:

Address:

Email Address:

APPENDIX C – ORPHAN WORKS INTERVIEWEES

Heather Briston, UCLA Library

Mikka Gee Conway, The J. Paul Getty Trust

Greg Cram, New York Public Library

Sharon Farb, UCLA Library

David Farneth, The J. Paul Getty Trust

Katie Fortney, California Digital Library, University of California

Anne Gilliland, University of North Carolina at Chapel Hill Libraries

Peter Hirtle, Cornell University Library

Polina Ilieva, University of California – San Francisco Library

Emily Lin, University of California – Merced Library

Anonymous librarian at a large public research library in the United States

Anonymous archivist at large cultural heritage institution in the United States

APPENDIX D – INTERVIEW PROTOCOL AND QUESTIONS

Orphan Works Digitization: Interview Protocol

Date:

Time:

Method of Interview (e.g., phone, in person):

Interviewer:

Interviewee:

Interviewer introduction:

Hello _____,

As you know, digitization of copyrighted works in library and archives raises hard questions copyright liability risk, particularly for use of copyrighted works whose owners cannot be identified or located—i.e., orphan works. Digitizing organizations have pointed to fair use as the lodestar of risk management for orphan works, but other legal and practical strategies also exist to minimize the risk of a lawsuit in the first place, to bolster the fair use defense, and to make available other legal and equitable defenses.

I’m working to produce a report that thoroughly reviews the best approaches to minimizing legal risk when making orphan works available on an open access basis. I’m hoping to build in to that document information about what policies, best practices, and experiences organizations like yours have that would be beneficial for other digitizing organizations to consider in reducing the risk of providing open access to orphan works.

So thank you for agreeing to talk with me to share that information. I anticipate this should take about 20 minutes. I will record this interview and have it transcribed.

This study has been deemed exempt from review by UNC’s IRB because I’m talking to you as an expert on your institutional policies and practices, and I’m not asking questions about you, individually. Nevertheless, I’m sensitive to identifying you and attributing quotes to you publicly. So, once the transcription is available, if you would like, I will share it with you. I plan to use excerpts from interviews in the resulting report, with attribution to you. If you are quoted in the resulting report, I will give you an opportunity to see the relevant sections of the draft. If necessary, I’m happy to consult with you about any changes or redactions that you might like me to make before releasing the report publicly.

Do you have any questions?

Questions:

Preliminary: Can you describe your organizations' involvement with digitization of copyrighted works?

First, does your organization have a written policy or process in place for assessing copyright liability risk for digitization/digital access generally (or providing digital access to orphan works specifically, if such a document exists)?

- Probe: If so, can you share it with me?
- Probe: how was it developed?
- Probe: if there is no policy or workflow, why not?

Second, how does your organization identify orphan works or likely orphan works for purposes of risk assessment?

- Probe: What are the factors that lead to such a determination?
- Probe: Does your organization engage in a "reasonable search" for rightsholders? If so, please describe the process.
- Probe: within the category of orphan works or likely orphan works, how does your organization triage or categorize "low risk" versus "high risk" works?
 - How much of that categorization is based on copyright risk vs. other risks (e.g., privacy, reputational, etc.)

Third, what are the primary legal doctrines that your organization relies upon to justify making orphan works available on an open access basis online?

- Probe: Does your organization make assertions of fair use for an entire collection?
- Probe: How do codes of best practices, such as the ARL code of fair use best practices, the SAA *Orphan Works: Best Practices* or the *Code of Best Practices in Fair Use of Collections Containing Orphan Works for Libraries, Archives, and Other Memory Institutions* influence your reliance on fair use?
- Probe: What else beyond fair use do you rely upon?

Fourth, what are some examples of orphan works or collections containing orphan works that your organization has made available online?

- What level of access do you provide? Open access? Restricted?

Fifth, can you provide any examples of collections containing orphan works that your organization has held back from digitizing because of concerns about risk? Why was that decision made to hold those works back?

Finally, has your organization ever had a rightsholder come forward to assert rights over a work that your organization determined to be orphaned? If so, please explain.

Closing:

- Thank you
- Ask permission to follow up
- Reminder about use of transcript and quotes in final document
- Provide contact information again

APPENDIX E – EXAMPLES OF DIGITAL COLLECTIONS CONTAINING ORPHAN WORKS

Institution	Collection	Link
UCLA Library	Walter L. Gordon, Jr./William C. Beverly, Jr. Collection	http://digital2.library.ucla.edu/viewItem.do?ark=21198/zz002311rn
UCLA Library	AIDS Poster Collection	http://digital.library.ucla.edu/aidsposters/
UCLA Library	Los Angeles Latino Families Photo Project	http://digital2.library.ucla.edu/viewItem.do?ark=21198/zz002c4jzn
UCLA Library	Adams (Peggy Hamilton) Papers	http://digital2.library.ucla.edu/viewItem.do?ark=21198/zz0008hs10
UCLA Library	Los Angeles Aqueduct Digital Platform	http://digital.library.ucla.edu/aqueduct/
UCLA Library	Retter-Vargas (Yolanda) Collection of Orphan Photographs	http://digital2.library.ucla.edu/viewItem.do?ark=21198/zz0019q5n3
Duke Libraries	adViews	http://library.duke.edu/digitalcollections/adviews/
Duke Libraries	Vica Nazi Propoganda Comis	http://library.duke.edu/digitalcollections/vica/
Duke Libraries	Caribbean Sea Migration Collection	http://library.duke.edu/digitalcollections/caribbeasea/
Duke Libraries	Images of mainline Protestant children and families in the U.S.	http://library.duke.edu/digitalcollections/protfam/
Duke Libraries	Behind the Veil: Documenting African American Life in the Jim Crow South	http://library.duke.edu/digitalcollections/behindtheveil/
Library of Congress	Prosperity and Thrift	http://memory.loc.gov/ammem/coolhtml/ccres.html
Library of Congress	The Wilbur and Orville Wright Papers	http://memory.loc.gov/ammem/wrighthtml/wrightres.html
Library of Congress	American Women	http://memory.loc.gov/ammem/awhhtml/awcopy.html
Library of Congress	An American Time Capsule: Three Centuries of Broad­sides and Other Printed Ephemera	http://memory.loc.gov/ammem/rbpehtml/peres.html
Library of Congress	Alexander Graham Bell Family Papers	http://memory.loc.gov/ammem/bellhtml/bellres.html
Library of Congress	The Samuel F.B. Morse Papers	http://memory.loc.gov/ammem/sfbmhtml/sfbmres.html
Library of Congress	The Moldenhauer Archives	http://memory.loc.gov/ammem/collections/moldehauer/moldres.html
Library of Congress	Emile Berliner and the Birth of the Recording Industry	http://memory.loc.gov/ammem/berlhtml/berlres.html
Library of Congress	Newspaper Pictorials: World War I Rotogravures	http://memory.loc.gov/ammem/collections/rotogravures/rotorights.html
Library of Congress	Historic Sheet Music Collection	http://memory.loc.gov:8081/cocoon/ahas/html/volcano/volcano-copyright.html
Library of Congress	Library of Congress Concerts	http://lcweb2.loc.gov/diglib/ahas/html/concerts/concerts-copyright.html
Library of Congress	Dolly Parton and the Roots of Country Music	http://lcweb2.loc.gov/diglib/ahas/html/dollyparton/dollyparton-copyright.html
Library of Congress	The Gerry Mulligan Collection	http://lcweb2.loc.gov/diglib/ahas/html/mulligan/mulligan-copyright.html
Library of Congress	Civil War Sheet Music Collection	http://lcweb2.loc.gov/diglib/ahas/html/civilwar/civilwar-copyright.html
Library of Congress	Patriotic Melodies	http://lcweb2.loc.gov/diglib/ahas/html/patriotic/patriotic-copyright.html

		atrioticcopyright.html
New York Public Library	New York World's Fair 1939-1940 Records	http://digitalgallery.nypl.org/nypldigital/dgtitle_tree.cfm?title_id=359208&level=1&imgs=20&snum=0
University of California Santa Cruz	Grateful Dead Archive Online	http://www.gdao.org/
University of Southern Mississippi	Civil Rights in Mississippi Digital Archive: Intellectual Property	http://digilib.usm.edu/crmda_ip.php